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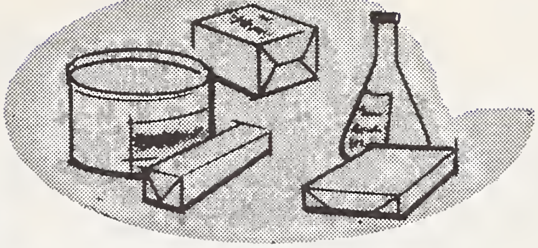


FATS and OILS SITUATION

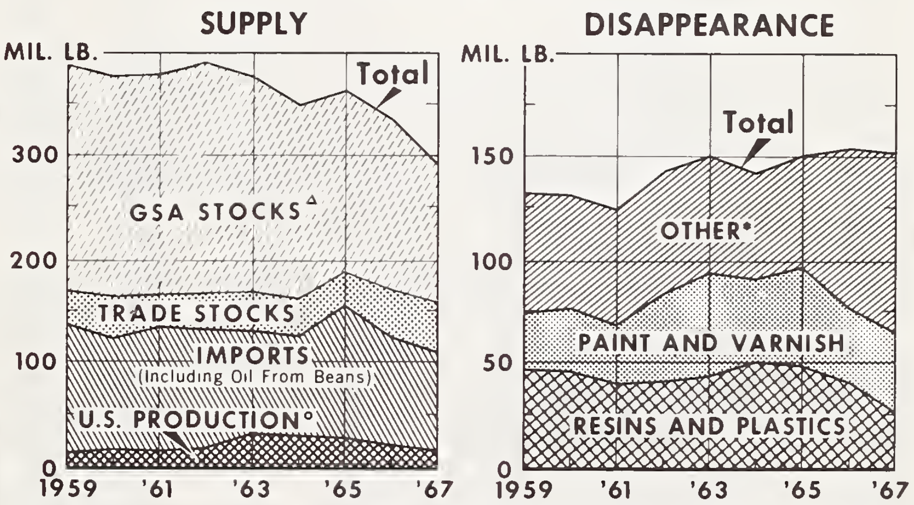
MAY 10 1968

FOS-241 JANUARY 1968

U.S. castor oil supplies have declined steadily since 1962, from 388 million pounds to about 300 million in 1967. The drop chiefly reflects reduced government-held (GSA) stocks. In 1967, imports supplied roughly two-thirds of domestic disappearance of about 150 million pounds. Castor oil sold from the GSA stockpile, plus domestic castorbean production supplied the other third.

The 1968 crop castorbeans will be supported at 5 1/2 ¢ per pound--the first program since 1954. The program will operate through oil mills who agree to pay growers not less than support. CCC purchases will not exceed 30 million pounds of castor oil (See page 23).

CASTOR OIL



△JANUARY 1. °OIL PRODUCED FROM DOMESTIC CASTORBEAN CROP. •INCLUDES FATTY ACIDS, LUBRICANTS AND SIMILAR OILS, OTHER DRYING OILS, SOAP, COSMETICS, AND PHARMACEUTICALS.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 1804-67 (12) ECONOMIC RESEARCH SERVICE

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The U.S. Castor Oil Situation (Page 23)

Readers Survey (Page 32)

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ECONOMIC RESEARCH SERVICE, U. S. DEPARTMENT OF AGRICULTURE

Table 1.--Wholesale and retail prices per pound for fats and oils

Item	December		1967		
	1965	1966	October	November	December
	Cents	Cents	Cents	Cents	Cents
Wholesale Prices:					
Butter, creamery, Grade A, (92-score) bulk, New York	65.2	67.4	68.3	67.8	70.0
Butter, creamery, Grade A, (92-score) bulk, Chicago	63.4	66.5	66.6	66.5	67.7
Butter, creamery, Grade A, (92-score) prints, San Francisco	76.8	80.8	79.8	79.8	79.8
Castor oil, dehydrated, tanks, New York	25.0	25.0	27.2	31.6	32.5
Castor oil, No. 1, Brazilian, tanks, imported, New York	14.3	15.8	22.6	24.5	24.3
Castor oil, No. 1, tanks, f.o.b., New Jersey mills	16.1	16.7	---	---	---
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mills 1/	14.5	13.0	16.2	18.6	18.3
Coconut oil, crude, tanks, f.o.b. New York 1/	14.5	13.4	16.2	18.2	18.1
Coconut oil, refined, drums, l.c.l., New York 1/	20.8	20.0	22.4	25.4	26.0
Cod oil, spot, drums, New York	12.5	9.6	8.5	8.4	8.4
Codliver oil, medicinal, U. S. P., barrels, New York	19.5	19.5	19.5	19.5	19.5
Corn oil, crude, tank cars, f.o.b. Midwest mills	18.1	14.3	11.6	12.1	12.7
Corn oil, refined, tanks, New York	21.3	17.4	14.4	15.2	15.8
Cottonseed oil, crude, tank cars, f.o.b., S. E. mills	12.0	12.9	11.2	11.1	11.5
Cottonseed oil, crude, tank cars, f.o.b., Valley	11.8	12.8	11.1	11.0	11.4
Cottonseed oil, crude, tank cars, f.o.b., Texas	11.7	12.8	11.0	10.8	11.4
Cottonseed oil, p.s.y., bleachable, tank cars, New York 2/	13.5	14.6	12.8	12.8	13.4
Cottonseed oil, refined, tanks, New York	14.5	15.7	13.8	13.7	14.3
Degras, Lanolin technical, drums, New York	40.0	22.0	22.0	22.0	22.0
Glycerin, soaplye, tanks, New York 3/	13.9	15.5	16.2	16.2	16.2
Grease, A white, tank cars, delivered Chicago	7.9	6.7	5.3	5.0	5.0
Grease, B white, delivered, Chicago	7.1	5.9	4.6	4.3	4.3
Grease, yellow, delivered, Chicago	6.8	5.6	4.3	3.9	3.9
Grease, white, choice, tanks, New York	9.3	7.2	5.8	5.5	5.4
Grease oil, extra No. 1, drums, Chicago	13.5	13.5	13.5	13.5	13.5
Lard, loose, tank cars, Chicago	11.8	9.3	6.9	6.3	6.6
Lard, prime steam, tierces, Chicago	11.7	9.4	6.9	6.3	6.6
Lard, refined, 1-pound cartons, Chicago 4/	18.5	14.8	13.0	12.3	12.6
Linseed oil, raw, tank cars, Minneapolis	12.7	12.8	13.2	13.2	13.2
Linseed oil, raw, tanks, New York	13.8	13.9	14.3	14.3	14.3
Margarine, colored, delivered, Eastern U. S.	26.1	27.3	25.6	25.6	25.6
Margarine, yellow, quarters, f.o.b., Chicago	26.6	27.2	25.5	25.5	25.5
Margarine, white, domestic vegetable, Chicago	24.6	24.1	22.5	22.5	22.5
Menhaden oil, crude, tanks, f.o.b., Baltimore	9.5	8.8	6.0	6.0	6.0
Menhaden oil, light pressed, tanks, New York	11.3	11.3	10.5	10.5	10.5
Neat's foot oil, 30°, drums, carlots, New York	27.0	27.0	27.0	27.0	27.0
Oiticica oil, drums, f.o.b., New York	24.8	19.0	19.0	19.5	19.5
Oiticica oil, tanks, New York	22.5	16.8	17.0	17.5	17.5
Oleo oil, extra, drums, Chicago	18.2	19.8	---	---	---
Olive oil, imported, edible, drums, New York	36.7	38.0	38.4	39.2	37.6
Palm oil, clarified, drums, f.o.b. New York 5/	15.2	15.2	14.5	14.5	14.5
Palm oil, Congo, tank cars, f.o.b., New York	13.1	12.8	12.5	12.5	12.5
Palm kernel oil, bulk, c.i.f., New York 5/	13.9	12.0	14.3	15.9	16.9
Peanut oil, crude, tank cars, f.o.b. S. E. mills	13.2	13.1	11.4	11.2	11.6
Peanut oil, refined, tanks, New York	15.7	15.6	13.8	13.8	13.4
Rapeseed oil, refined (denatured), tanks, New York	15.5	15.2	15.2	15.2	15.2
Safflower oil, nonbreak, tanks, New York	14.3	16.5	13.3	13.3	13.6
Sesame oil, refined, drums, New York	33.0	37.0	40.8	40.8	40.8
Shortening, all vegetable, hydrogenated, 440-lb. drums, New York	20.0	21.2	21.2	21.0	21.0
Shortening, all vegetable, hydrogenated, 3 lb. tins, delivered, Eastern U.S.	25.8	27.3	25.6	25.6	25.6
Soybean oil, crude, tank cars, f.o.b., Decatur	11.2	10.6	8.8	8.6	8.6
Soybean oil, refined, tanks, New York	13.5	12.9	11.0	10.8	10.8
Soybean oil, clarified, tanks, New York	13.1	12.4	10.6	10.5	10.6
Sperm oil, natural, 45°, drums, New York	14.5	14.5	14.5	14.5	14.5
Sperm oil, bleached, winter 45°, drums, New York	15.5	15.5	17.5	17.5	17.5
Tall oil, crude, tanks, works	3.5	3.1	3.1	3.1	3.1
Tall oil, refined, tanks, works	7.5	7.5	7.5	7.5	7.5
Tallow, edible, loose, Chicago	12.2	9.7	6.9	6.5	6.9
Tallow, inedible, packers' prime, c.a.f. delivered, Chicago	7.4	6.1	4.9	4.6	4.5
Tallow, inedible, bleachable fancy, delivered, Chicago	8.1	6.8	5.3	5.1	4.9
Tallow, No. 1, inedible, delivered, Chicago	6.8	5.6	4.4	4.1	3.9
Tallow, special, inedible, tanks, delivered, New York	7.8	6.4	5.5	5.0	4.6
Tung oil, imported, drums, f.o.b., New York	26.5	19.0	14.6	17.0	16.6
Tung oil, tanks, New York	24.3	17.0	12.6	14.4	13.6
Tung oil, domestic, tanks, f.o.b. mills	24.5	24.0	24.0	24.0	24.0
Retail prices 6/					
Butter	77.0	85.7	83.4	83.2	83.1
Margarine	27.7	29.5	28.2	28.1	28.1
Shortening	29.0	30.7	28.5	28.8	28.5
Salad Dressing (Italian)	75.2	76.0	75.2	75.6	75.8
Peanut Butter	60.0	59.7	58.5	58.5	58.4
Cooking and Salad oils	35.5	40.7	35.6	35.5	35.6

1/ 3-cent processing tax suspended beginning October 1957.
2/ Nearby futures.
3/ Beginning January 1965, average of weekly prices, New York Journal of Commerce.
4/ Beginning April 1966, one and two pound prints.
5/ 3-cent processing tax suspended beginning July 1959.
6/ Leading cities.

FOS-241 JANUARY 1968

THE FATS AND OILS SITUATION

Approved by the Outlook and Situation Board and released, January 30, 1968

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SUMMARY

Soybean prices (No. 1 yellow, Chicago) edged up from $2.60 per bushel during the heavy harvest last October to $2.70 in January 1968--a tenth below a year ago. At the farm level, soybean prices averaged about the support level of $2.50 per bushel.

Total disappearance (mainly crushings and exports) is running 4 percent ahead of the year-earlier rate. At the same time, farmers are storing a record quantity of soybeans. Soybean prices are expected to average slightly above the October-January period, but well below the February-August 1967 level.

U.S. soybean supplies for the 1967/68 marketing year (beginning September 1) are placed at a record 1,063 million bushels, approximately 100 million bushels or 10 percent above 1966/67. Disappearance for the 1967/68 marketing year is expected to total some 5 to 6 percent above the 874 million bushels in 1966/67. This would leave a carryover of soybeans next September around 1½ times the 90 million bushels on the same date last year.

Soybean crushings for the 1967/68 marketing year may possibly reach 585 million bushels, compared with 551 million bushels during 1966/67. With the crushing rate being determined primarily by expanding soybean meal requirements, soybean oil stocks continue above year-earlier levels. The September-December crush of 189 million bushels was 6 percent above a year earlier, and about in line with the expected gain for the entire season.

Export prospects are somewhat clouded this marketing year by the recent devaluation of currencies in the United Kingdom, Denmark, Spain, and some other countries. Devaluation tends to increase the cost of U.S. soybeans and products in these importing countries. Brazil's recent devaluation was the first by a competitor, since Peru took similar action. Soybean exports so far in 1967/68 are running a little above a year earlier and may total 15 to 20 million bushels above last year's record 262 million bushels. Soybeans inspected for export from September 1, 1967, through January 26, 1968, totaled 125 million bushels--nearly 2 million bushels more than a year earlier. Exports to Japan, Canada, and Israel are running slightly below the 1966/67 rate. But this is being more than offset by larger soybean exports to Europe. U.S. soybean exports to Western Europe are expected to increase further during the remainder of

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* The summary of this report and some data from tables 3 and 8 were released on January 30, 1968.

the marketing year as soybean processing capacity in Europe is expanded.

Total supplies of soybean and cottonseed oils for the 1967/68 marketing year that started October 1 are estimated at approximately 8.0 billion pounds, up slightly from 1966/67. Increased supplies of soybean oil this year are more than offsetting another substantial reduction in cottonseed oil output. Domestic disappearance of these edible oils is expected to total about 5.9 billion pounds, approximating the 1966/67 level. This would leave around 1.3 billion pounds of soybean and cottonseed oil available for export or stocks during 1967/68. Approximately 3/4 of the 1.3 billion pounds available is expected to be shipped under government (P.L. 480) programs.

So far in the 1967/68 marketing year, wholesale prices of soybean oil are averaging about a fifth lower than a year earlier, while lard prices are off a third. Cottonseed oil prices are also lower this year, but not by as wide a margin. Soybean oil prices (crude, Decatur) during October-January 1967/68 averaged 8.7 cents per pound, 2 cents below a year earlier and the lowest since 1963/64. Lard prices (loose, Chicago) during October-January 1967/68, averaged 6.5 cents per pound, about 3.4 cents under a year ago and the lowest since 1940.

Lard production in the marketing year that started October 1, 1967, is expected to increase slightly from the 2.1 billion pounds in 1966/67. Domestic use is estimated at 1.9 billion pounds, compared with 1.8 billion in 1966/67, as lard usage in margarine and shortening increased in response to lower prices.

SITUATION AND OUTLOOK

SOYBEANS

1967 Farm Prices Near Support During Harvest

Prices received by farmers for soybeans during the heavy marketing months of September-January 1967/68 averaged about the U.S. support price of $2.50 per bushel, approximately 35 cents less than a year ago. Prices during the remainder of the marketing year probably will average slightly higher than the September-January 1967/68 level but well below the February-August 1967 average of $2.68 per bushel. However prices are not expected to exceed the support price by any significant margin.

Total disappearance (crushing and exports) of soybeans is expected to continue above the year-earlier rate but probably will not match this year's record soybean crop. As a result, carryover stocks next September 1 may increase to around 1½ times the 90 million bushels of September 1, 1967.

Farmers have stored a record quantity of soybeans this year. Farm stocks of soybeans on January 1, 1968, totaled 350 million bushels--about 36% of the 1967 crop. This compared with 344 million bushels and 37% on January 1, 1967. Stocks of soybeans in all positions (farms, elevators, warehouses, and processing plants) on January 1, 1968, totaled 782 million bushels, compared with 721 million the same date in 1967.

The value of the 1967 soybean crop is placed at $2.4 billion--down slightly from the $2.5 billion in 1966. Soybeans rank second only to corn in value among the cash crops. The U.S. season average price received by farmers for 1967-crop soybeans is estimated at $2.49 per bushel, compared with $2.75 the crop before.

USDA announced on January 26 that 1968-crop soybeans will be supported at $2.50 per bushel, unchanged from last year. Also, soybeans planted on feed grain acreage by cooperators will not be eligible for feed grain-price support payments.

Table 2.--Soybeans placed under price support and redeemed, cumulative data, 1959-67 1/

Year	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	CCC takeover	
													Quantity	% of crop
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Pct.
1959-60														
Loan entries	0.2	5.5	22.1	32.9	47.9	51.9	52.4	---	---	---	---	---	3.9	0.7
Redemptions	---	---	0.1	0.2	1.2	1.9	3.6	8.0	22.9	39.7	41.0	41.4		
1960-61														
Loan entries	---	3.6	13.7	21.9	25.3	25.6	---	---	---	---	---	---	---	---
Redemptions	---	---	---	0.2	5.1	13.6	18.6	22.1	23.7	25.1	25.3	25.3		
1961-62														
Loan entries	0.1	16.1	70.5	92.9	118.5	131.3	132.3	132.5	---	---	---	---	60.2	8.9
Redemptions	---	---	0.1	0.5	2.3	5.7	11.7	20.5	37.6	45.0	47.1	47.5		
1962-63														
Loan entries	0.1	9.6	32.2	48.6	58.9	68.9	---	---	---	---	---	---	1.2	0.2
Redemptions	---	---	0.1	0.5	5.3	10.1	15.9	23.5	32.0	40.2	51.7	63.6		
1963-64														
Loan entries	0.1	15.0	36.0	50.3	66.8	72.8	---	---	---	---	---	---	12.3	1.8
Redemptions	---	---	0.1	0.4	1.8	2.9	5.5	11.3	17.6	23.5	32.9	43.8		
1964-65														
Loan entries	0.2	6.1	15.5	18.5	28.3	28.6	---	---	---	---	---	---	2/	---
Redemptions	---	---	0.3	2.0	5.0	8.2	10.5	15.1	18.1	20.8	23.8	27.4		
1965-66														
Loan entries	---	14.6	48.2	67.3	85.2	86.1	86.4	86.5	---	---	---	---	0.1	---
Redemptions	---	---	0.1	2.5	15.4	28.2	41.6	56.0	69.0	77.4	81.3	85.8		
1966-67														
Loan entries	0.7	37.5	90.8	116.5	135.7	144.1	147.5	149.0	149.7	150.3	150.4	152.0	7.6	0.8
Redemptions	---	---	0.1	1.7	5.9	13.5	29.1	41.4	55.4	75.1	96.4	116.9		
1967-68														
Loan entries	0.1	47.5	105.9	158.3										
Redemptions	---	2/	2/	0.5										

1/ Data include farm-stored and warehouse-stored loans and purchase agreements. 2/ Less than 50,000 bu.
SOURCE: ASCS Operating Records.

Record Amount of Soybeans Under Price Support Loan

Through December, producers placed a record 158 million bushels of 1967-crop soybeans under price support loans, compared with 116 million in the same period a year ago (table 2). Last year the total amount of 1966-crop soybeans placed under support was 152 million bushels. Most of these loans were repaid, except for 7 million bushels delivered to CCC and 23 million bushels resealed in farm storage. Apparently many farmers this year are using the Government program for interim financing (while awaiting market developments), since commercial interest rates are above those charged for the CCC crop loan. CCC loans are available from harvest through June 30, 1968, and will mature on July 31, 1968. Based on the season's supply and demand prospects, CCC likely will take over a substantial amount of 1967-crop soybeans on August 1, 1968. The actual quantity will largely depend upon price prospects and producer decisions with respect to the reseal program.

USDA announced on January 5, 1968, that farmers who resealed 1966-crop soybeans may continue their loans and earn on-farm storage payments during the 1968-69 reseal loan storage period. Approximately 23 million bushels of 1966-crop soybeans are in the reseal program. Soybeans continued under loan in reseal status are subject to call by CCC at any time whenever need arises to help fill a CCC grain disposal commitment. When loans are called the producer has the option of delivering his soybeans or repaying the loan. As announced last October, reseal loans will be available on 1967-crop soybeans under price-support loans in farm storage or in commercial storage.

Crushings to Reach New High; Processing Margin Declines

Soybean crushings during September-December 1967 totaled 189 million bushels, 10 million more than the year before (table 4). Most of the increase occurred in September-October 1967. The crushing rate this year is being determined mainly by increased soybean meal requirements; soybean oil supplies continue above year-earlier levels. For the entire 1967/68 marketing year, crushings may possibly reach 585 million bushels, compared with 551 million during 1966/67.

Soybean product prices (oil and meal) have declined relatively more than soybean prices this year, resulting in reduced processor margins. During October-December 1967, the spot spread between the value of soybean oil and meal per bushel and the price paid by processors for soybeans averaged 10 cents per bushel, compared with 18 cents the year before. Processing margins probably will continue relatively narrow as soybean processing facilities expand. (See November 1967, Fats and Oils Situation, FOS-240, pages 35-39, for special article entitled "U.S. Soybean Processing Capacity Continues Expansion.")

Soybean Exports Up Slightly; Trade Mission to Europe Optimistic

Export prospects are somewhat clouded this marketing year by the recent devaluation of currencies in the United Kingdom, Denmark, Spain, and some other countries. Devaluation tends to increase the cost of U.S. soybeans and products in these importing countries. Brazil's recent devaluation was the first by a competitor, since Peru took similar action. Soybeans inspected for export from September 1, 1967, through January 26, 1968, totaled 125 million bushels--nearly 2 million more than a year ago. Exports to Japan, Canada, and Israel are running a little below the 1966/67 rate but this is being offset by a heavier movement to Europe.

U.S. soybean exports to Western Europe are expected to increase further over the remainder of the marketing year as new soybean processing facilities become operational and local rapeseed supplies are reduced. Also, relatively lower and more steady U.S. soybean prices this year than last should help our exports.

Table 3.--Soybeans: Supply and disposition, acreage and price, marketing year beginning September 1, 1955-67

Item	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967 1/
	Supply and disposition (Million bushels)												
Supply													
Stocks, Sept. 1 2/	22.6	21.0	31.6	42.8	87.8	51.8	27.1	78.3	46.0	67.3	29.7	35.6	90.1
Production	373.7	449.3	483.4	580.2	532.9	555.1	678.6	669.2	699.2	700.9	845.6	928.5	972.7
Total supply	396.3	470.3	515.0	623.0	620.7	606.9	705.7	747.5	745.2	768.2	875.3	964.1	1,062.8
Disposition													
Crushings	281.9	313.6	350.9	398.8	394.0	406.1	431.4	472.7	436.8	479.0	537.5	551.3	585
Exports	68.6	83.7	88.4	105.0	139.9	134.7	149.4	180.5	187.2	212.2	250.6	261.6	280
Seed	25.8	26.4	29.5	27.4	29.3	32.5	33.3	34.6	36.0	40.3	42.9	46.6	[
Feed	1.6	1.7	1.5	1.9	1.5	1.3	1.3	1.1	.9	.9	.9	.9	[59
Residual	-2.6	13.3	1.9	2.1	4.2	5.2	12.0	12.6	17.0	6.1	7.8	13.6	[
Total disposition	375.3	438.7	472.2	535.2	568.9	579.8	627.4	701.5	677.9	738.5	839.7	874.0	924
Stocks, Aug. 31 2/	21.0	31.6	42.8	87.8	51.8	27.1	78.3	46.0	67.3	29.7	35.6	90.1	139
	Acreage and Yield (Million acres)												
Acreage grown along	19.7	21.7	21.9	25.1	23.3	24.4	27.8	28.4	29.5	31.6	35.2	37.4	41.0
Acreage harvested 3/	18.6	20.6	20.9	24.0	22.6	23.7	27.0	27.6	28.6	30.8	34.4	36.5	39.7
Percent harvested (%)	94.4	94.9	95.4	95.6	97.0	97.1	97.1	97.2	96.9	97.5	97.7	97.6	96.8
	(Bushels)												
Yield per acre harv.	20.1	21.8	23.2	24.2	23.5	23.5	25.1	24.2	24.4	22.8	24.5	25.4	24.5
	Price (Dollars)												
Price per bushel													
Support	2.04	2.15	2.09	2.09	1.85	1.85	2.30	2.25	2.25	2.25	2.25	2.50	2.50
Rec. by farmers	2.22	2.18	2.07	2.00	1.96	2.13	2.28	2.34	2.51	2.62	2.54	2.75	2.49
No. 1 yel. Ill. Pts.	2.51	2.33	2.20	2.12	2.07	2.53	2.41	2.50	2.59	2.81	2.91	2.86	
No. 1 yel. Chicago	2.59	2.43	2.28	2.22	2.17	2.60	2.49	2.59	2.67	2.88	2.98	2.93	

1/ Preliminary. Disposition is forecast.
2/ Estimates prior to 1965.
3/ For beans.
4/ Indicated December 1.

Table 4.--Soybeans: Supply and disposition, crop years, 1955-67

Item	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967 1/
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
Total supply	396.3	470.3	515.0	623.0	620.7	606.9	705.7	747.5	745.2	768.2	875.3	964.1	1,062.8
Disposition													
Seed, feed and residual (entire year)	24.8	41.4	32.9	31.4	35.0	39.0	46.6	48.3	53.9	47.3	51.6	61.1	59
September-December:													
Crushings	93.4	101.4	107.9	126.5	133.0	137.7	136.7	155.9	151.2	167.4	171.6	178.9	189
Exports	38.7	39.5	43.7	39.7	57.3	65.6	64.4	75.8	70.1	92.4	107.9	105.3	107
Supply remaining, January 1	239.4	288.0	330.5	425.4	395.4	364.6	458.0	467.5	469.9	461.0	544.2	618.8	708
January-August:													
Crushings	188.4	212.2	242.9	272.3	261.0	268.4	294.7	316.8	285.5	311.6	365.9	372.4	396
Exports	29.9	44.2	44.7	65.3	82.6	69.1	85.0	104.7	117.1	119.8	142.7	156.3	173
Season totals													
Crushings	281.9	313.6	350.9	398.8	394.0	406.1	431.4	472.7	436.8	479.0	537.5	551.3	585
Exports	68.6	83.7	88.4	105.0	139.9	134.7	149.4	180.5	187.2	212.2	250.6	261.6	280
Stocks, Aug. 31	21.0	31.6	42.8	87.8	51.8	27.1	78.3	46.0	67.3	29.7	35.6	90.1	139

1/ Preliminary. January-August disposition is forecast.

Accordingly, soybean exports for the entire 1967/68 marketing year may total 15 to 20 million bushels above last year's record 262 million bushels.

A recent U.S. Soybean Trade Mission (October 28-November 11, 1967) predicted an increase of 50 million bushels in U.S. soybean exports to 5 European countries (the United Kingdom, France, Netherlands, Spain and West Germany) during the next 18 to 24 months. They also anticipated an average annual increase of 15 to 20% in European imports during the next 5 years. This reflects the team's appraisal of new soybean crushing capacity either planned or being built in Europe, as well as increased meal demand to meet the needs of the expanding European livestock and poultry industries. They reported, however, that increased soybean crush may initially slow the export expansion of U.S. soybean meal (as meal). They indicated that the need for soybean protein by the livestock economy can be expected to expand. European buyers emphasized the desirability of steady sources of soybean supplies. The team gave assurance of the continuing availability of U.S. soybeans for export.

1967-Crop Soybeans Higher in Oil Content, Lower in Protein

The Statistical Reporting Service had 1,277 soybean samples from the 1967 crop chemically analyzed for oil and protein content, on a dry weight basis, by crop reporting districts (Crop Production report, December 1967). Samples were taken from fields used in objective yield surveys in 15 states representing 91% of the 1967 U.S. soybean production.

Oil content for the 1967 soybean crop in 15 States averaged 21.0% and the protein content was 41.8%. This compares with the 1966 oil content of 20.4% and a protein content of 42.2% for the same States (table 5).

Among the individual States, Kansas had the highest oil content (22.2%) and Michigan the lowest (20.0%). Protein content was the highest in Ohio (43.0%) and lowest in Kansas (38.8%). Oil content of 1967-crop soybeans showed a general tendency to increase as areas of production extended from north to south. Conversely, protein content tended to increase from south to north. In the Corn Belt States, protein content declined as production areas extended from east to west--from 43.0% in Ohio to 41.2% in Missouri.

SOYBEAN OIL

Output Up Slightly; Prices a Fifth Lower Than 1966/67

Production of soybean oil for the marketing year started October 1, 1967, is estimated at 6.2 billion pounds, compared with 6.0 billion last year (table 6). This estimate is based on a soybean crush of 580 million bushels with an oil yield estimated at 10.7 pounds per bushel. Domestic use is estimated at around 4.8 to 4.9 billion pounds, compared with 4.7 billion in 1966/67. This use would leave approximately 1.3 billion pounds of the current year's output available for export during the year, or increasing carryover stocks on September 30, 1968.

Factors influencing domestic disappearance of soybean oil during the current marketing year include: lower soybean oil prices than in 1966/67; reduced supplies of cottonseed oil for the third consecutive year; increased amounts of butter moving into domestic donation programs; reduced availability of imported palm oils, and further increases in population and consumer incomes. However, domestic supplies of lard, safflower, sunflower, and peanut oils are larger this year than last.

Soybean oil prices (crude, Decatur) have remained stable so far this year, averaging 8.7 cents per pound during October-January 1967/68--2 cents below a year earlier and the lowest since 1963/64. Lower oil prices this year mainly reflect the reduction in soybean prices, heavier inventories of fats and oils, and supplies generally in excess of domestic requirements and exports. Commercial exports have been slow and some P.L. 480 shipments, while substantially above the level in 1966/67, have until recently had little influence on price.

Table 5 .--Soybeans: Oil and protein content for selected States, percent dry weight basis, 1966 and 1967 Crops

Area and State	1966 Crop			1967 Crop		
	Number of samples	Oil content	Protein content	Number of samples	Oil content	Protein content
	Number	Percent	Percent	Number	Percent	Percent
Corn Belt States:						
Illinois	118	21.1	42.6	141	20.8	42.4
Iowa	108	20.3	41.9	106	20.8	41.4
Indiana	118	21.0	43.7	106	20.9	42.5
Ohio	127	20.1	44.1	98	20.5	43.0
Missouri	118	20.0	41.2	113	20.9	41.2
Total	589	20.6	42.5	564	20.8	42.1
Lake States:						
Minnesota	101	19.4	42.5	108	20.2	42.0
Michigan	24	19.2	43.4	21	20.0	42.8
Total	125	19.4	42.6	129	20.2	42.1
Plains States:						
Kansas	28	20.5	41.4	26	22.2	38.8
Nebraska	22	20.5	39.2	28	21.4	39.9
Total	50	20.5	40.0	54	21.8	39.4
Delta States:						
Arkansas	116	19.8	41.7	126	21.3	41.8
Mississippi	105	20.7	41.7	111	22.0	40.8
Louisiana	53	21.5	41.5	72	22.1	42.2
Tennessee	67	20.1	40.2	74	21.4	41.9
	341	20.3	41.5	383	21.6	41.6
Atlantic States:						
North Carolina	78	19.8	43.0	64	20.4	42.4
South Carolina	59	21.5	40.8	83	21.2	40.5
Total	137	20.7	41.8	147	20.8	41.4
Total--15 States	1,242	20.4	42.2	1,277	21.0	41.8

Table 6.--Soybean oil: Supply and disposition and oil equivalent of exports of soybeans, 1947-67

Year beginning October	Supply: Production	Supply: Imports	Supply: Stocks October 1	Supply: Total	Disposition: Exports and shipments	Disposition: Domestic disappearance	Soybeans (oil equivalent of exports)	Price per pound (tank cars): Crude Decatur	Price per pound (tank cars): Refined N.Y.
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Cents
1947	1,534	1/	204	1,738	112	1,532	27	23.7	---
1948	1,807	1/	96	1,903	300	1,488	225	13.1	---
1949	1,937	1/	113	2,050	291	1,646	128	12.3	---
1950	2,454	---	113	2,567	490	1,906	272	17.8	21.5
1951	2,444	1/	171	2,615	271	2,150	167	11.3	14.1
1952	2,536	1/	194	2,730	93	2,462	320	12.1	14.8
1953	2,350	---	174	2,525	71	2,326	436	13.5	16.2
1954	2,711	---	127	2,838	50	2,609	666	11.9	14.8
1955	3,143	---	179	3,322	556	2,539	741	12.5	15.5
1956	3,431	---	227	3,658	807	2,565	937	12.7	15.4
1957	3,800	---	286	4,085	804	3,051	939	10.8	13.7
1958	4,251	---	2/281	4,532	930	3,304	1,209	9.5	11.8
1959	4,338	---	298	4,636	953	3,376	1,552	8.3	10.4
1960	4,420	---	308	4,728	3/721	3,329	1,431	11.3	13.6
1961	4,790	---	677	5,467	3/1,308	3,540	1,685	9.5	11.7
1962	5,091	---	618	5,709	3/1,165	3,624	1,984	8.9	11.1
1963	4,822	---	920	5,742	3/1,106	4,058	2,103	8.5	10.7
1964	5,146	---	578	5,724	3/1,357	4,069	2,265	11.3	13.4
1965	5,800	---	297	6,097	948	4,687	2,764	11.8	13.6
1966 4/	5,976	---	462	6,438	1,101	4,742	2,930	10.1	12.4
1967 5/	6,200	---	595	6,795	6/1,275	4,850	3,025	7/8.7	

1/ Less than 500,000 pounds. 2/ Adjusted to new census basis which includes hydrogenated oils and stearin. 3/ Includes estimates of foreign donations of fats and oils, not reported by Census, 1960-64. 4/ Preliminary. 5/ Forecast except October 1 stocks. 6/ Available for export and carryover. 7/ October-January average.

Totals computed from unrounded numbers.

Table 7.--Soybean oil: Utilization, year beginning October, 1947-66

Year beginning October	Food: Shortening	Food: Margarine	Food: Cooking & salad oils 1/	Food: Other edible	Food: Total	Non-Food: Paint and varnish	Non-Food: Resins and plastics	Non-Food: Other drying oil products	Non-Food: Linoleum and oil-cloth	Non-Food: Other inedible 2/	Non-Food: Foots and loss	Non-Food: Total	Total domestic disappearance
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	764	263	233		1,260	99	---	---	21	82	70	272	1,532
1948	694	244	241		1,180	111	---	---	31	89	78	308	1,488
1949	776	265	288		1,329	112	---	---	30	97	78	317	1,646
1950	795	459	344		1,599	91	62	11	7	50	87	308	1,906
1951	800	583	404		1,786	109	68	11	19	60	97	364	2,150
1952	879	735	462		2,077	155	61	9	12	42	106	386	2,462
1953	905	661	437		2,002	138	56	7	7	32	84	324	2,326
1954	979	741	545		2,264	138	71	11	2	15	107	344	2,609
1955	803	725	668		2,196	115	71	9	3	39	107	344	2,539
1956	764	836	627		2,227	117	72	9	1	31	107	337	2,565
1957	993	1,041	692		2,726	103	54	9	---	28	132	325	3,051
1958	1,136	1,082	665	77	2,960	102	66	6	---	37	133	343	3,304
1959	1,183	1,114	680	23	3,000	101	74	4	---	48	147	375	3,376
1960	1,097	1,073	793	26	2,989	96	64	4	1	36	139	340	3,329
1961	1,353	1,036	771	20	3,180	88	74	4	---	43	151	359	3,540
1962	1,222	1,069	933	15	3,239	90	78	6	---	48	163	385	3,624
1963	1,391	1,126	1,146	21	3,684	97	84	6	---	42	146	374	4,058
1964	1,404	1,107	1,100	32	3,643	94	105	5	---	57	165	426	4,069
1965	1,739	1,241	1,200	38	4,218	100	104	6	---	53	206	469	4,687
1966 3/	1,691	1,273	1,257	58	4,279	96	97	7	---	61	201	462	4,742

1/ Adjusted for exports of refined and further processed salad oil. Prior to January 1965 no adjustment made for exports of undeodorized hydrogenated oil. 2/ Includes soap, fatty acids and other miscellaneous. 3/ Preliminary.

Totals computed from unrounded numbers.

Soybean oil prices during February-September 1968 probably will average below the 10-cent-level of last year.

Soybean Oil Exports Depend Largely on Concessional Terms, Oil Trade Mission Reports

Supply and prospective domestic use for 1967/68 currently indicate that approximately 1.3 billion pounds of soybean oil would be available for export, compared with 1.1 billion pounds actually exported during 1966/67. How much of this is actually exported will be determined primarily by the level of activity under P.L. 480 programs, since commercial exports are expected to remain near the 1966/67 level. About 3/4 of the 1.3 billion pounds is expected to move out under government concessional terms during 1967/68. The exact level will depend upon purchases by a few key countries.

The Soybean Oil Export Promotion Team (November 18 through December 7, 1967) reported that prospects for U.S. oil exports into the countries visited (Morocco, Tunisia, Iran, Pakistan, and India) are favorable for the current season but there are some uncertainties which must be overcome.

The team reports that U.S. soybean oil has an excellent reputation with manufacturers in these markets. It can be expected to hold a strong position, if U.S. prices or other terms of sale are competitive. Prices for U.S. soybean oil, even at present low rates, still exceed those of competitive oils from several other sources. Some of these sources have shipped under bilateral or other special trading arrangements. The team reported that if this type of competition is to be met effectively, either U.S. soybean oil must become price competitive or its trade must be arranged on concessional terms, such as long term dollar credits or sales for foreign currencies under P.L. 480. Other team observations by major countries follow.

Pakistan for many years has been the largest importer of U.S. edible vegetable oils under P.L. 480 programs. All indications point to continued substantial needs in the years ahead, since domestic production is inadequate to supply even the present low per capita level of consumption. At present, about 120,000 tons of soybean oil are available to Pakistan under an outstanding P.L. 480 agreement. The oil presently programmed is expected to be imported, but the rate of shipment will be governed largely by the rate at which the imported oil is moved into consumption channels and at what prices.

At the time of the team's visit the bulk of Pakistan's consumption requirements were being met with locally produced oil from this year's better than normal crops, particularly of cottonseed. A second factor affecting the rate of imports is the limited availability of bulk oil storage facilities in the country. At the time of the team's visit, storage facilities for vegetable oil in West Pakistan were substantially filled with government-held stocks totaling almost 30,000 tons--of which about two-thirds was Russian sunflower seed oil and the remaining one-third U.S. soybean oil.

During the past 3 seasons, India has been a major importer of soybean oil under P.L. 480, taking approximately 100,000 tons under this program in 1966/67 when domestic production of oilseeds was reduced by severe drought. During the current season, India has a bumper crop of peanuts and other oilseeds. This, together with planned imports, will make it possible to increase consumption above the reduced levels that prevailed during recent drought years.

At present, India has unused authorization to import approximately 75,000 tons of soybean oil under P.L. 480 during the remainder of the fiscal year 1968. India too is attempting, in the face of its large peanut crop, to so handle imports of oil so that prices to farmers are maintained at incentive levels. Thus, the rate at which imported soybean oil will be moved into consumption may be lower during the flush harvest and marketing season than in other periods of the year.

The team expects, however, that the oil programmed for shipment during the current fiscal year will be purchased for import in an orderly manner within the prescribed period. New requirements, beyond presently programmed amounts, are expected to be considered in the spring of 1968.

Future Indian needs will be largely influenced by local crop conditions, progress in expanding domestic production, and price levels maintained for oil products. Prospects now are that India will need substantial imports for some time to come, although there are no indications that major per capita consumption increases are planned that would be supplied from imported oils. The team concluded that for the foreseeable future, Indian demand for U.S. soybean oil, even under P.L. 480 concessional terms, probably will not increase materially above present levels.

SOYBEAN MEAL

Production and Use Expected to Increase; Protein Content Lower This Year

The 1967/68 production of soybean meal is estimated at 13.8 million tons, compared with 13.3 million last year. This estimate is based on an October-September soybean crush of 580 million bushels with a meal yield of 47.8 pounds per bushel. Domestic use is forecast at 11.0 million tons, compared with 10.6 million in 1966/67. Exports during 1967/68 are placed at 2.8 million tons, up slightly from a year ago.

The important factors influencing increased domestic disappearance of soybean meal during 1967/68 include: lower soybean meal prices; sharply reduced supplies of cottonseed meal available for feeding; continuation of the expanding demand for livestock products; continuing strong competition from fish meal imports (mainly from Peru) and increasing competition from urea in cattle feeding; and very little change in protein-consuming livestock from last year.

U.S. soybean meal exports to Western Europe totaled 2.0 million tons during 1966/67. This was 3/4 of our total exports of 2.6 million. Export demand for U.S. soybean meal is expected to continue strong during 1967/68--especially in the first half of the marketing year. New European crushing facilities are expected to begin operations during 1967/68. When they begin, European import requirements for meal (as meal) may be reduced. The recently returned U.S. Soybean Trade Mission to Europe indicated concern about some low protein-high fiber soybean meal imported from the U.S. during the past year.

Soybean meal prices (44% protein, bulk, Decatur) have increased from $72 per ton in October-November 1967 to $76 in January 1968. The average was $73, compared with $82 per ton during October-January 1966/67. Prices during February-September 1968 are expected to average a little below the $77 per-ton-level last year, even though domestic and export demand continues strong.

In recognition of the lower protein content of 1967-crop soybeans, the processing industry reduced the minimum protein specification for 50% protein meal to 49% effective January 1, 1968

Table 8.--Food fats and oils: Supply and disposition, 1958-67

Item	Year beginning October									
	1958	1959	1960	1961	1962	1963	1964	1965	1966 1/	1967 Forecast 2/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Stocks, October 1										
Butter	146	93	136	238	3/419	3/450	3/188	161	68	212
Lard	46	93	92	100	73	81	68	62	64	107
Cottonseed oil	154	190	217	170	296	488	433	236	202	207
Soybean oil	281	298	308	677	618	920	578	297	462	595
Other 4/	56	60	78	94	128	206	118	110	179	208
Sub-total	683	734	830	1,279	1,534	2,145	1,385	866	976	1,329
Finished products 5/	145	172	190	288	480	355	240	206	235	267
Total food fats and oils	828	906	1,021	1,567	2,014	2,500	1,625	1,072	1,211	1,596
Imports 4/	74	66	81	91	55	73	50	63	78	65
Production										
Butter	1,413	1,435	1,489	1,596	1,491	1,454	1,412	1,120	1,243	1,175
Lard	2,679	2,726	2,481	2,468	2,495	2,475	2,205	1,900	2,066	2,150
Cottonseed oil 6/	1,589	1,832	1,786	1,952	1,930	1,939	2,001	1,834	1,225	1,050
Soybean oil	4,251	4,338	4,420	4,790	5,091	4,822	5,146	5,800	5,976	6,200
Other 4/6/	767	771	863	923	1,057	1,208	1,318	1,487	1,474	1,650
Sub-total	10,700	11,102	11,039	11,729	12,064	11,898	12,082	12,141	11,984	12,225
Soybean exports (oil equiv.)	1,209	1,552	1,431	1,685	1,981	2,103	2,265	2,764	2,930	3,025
Total food fats and oils	11,909	12,654	12,470	13,414	14,047	14,001	14,347	14,905	14,914	15,250
Total supply	12,811	13,626	13,572	15,072	16,116	16,574	16,022	16,040	16,203	16,910
Exports 7/										
Butter	19	22	9	8/19	8/131	8/319	150	24	7	10
Lard	608	716	513	508	571	706	431	218	247	225
Cottonseed oil 6/	406	506	8/371	8/474	8/392	8/586	643	278	79	*75
Soybean oil	930	953	8/721	8/1,308	8/1,165	8/1,106	1,357	948	1,101	*1,275
Other 4/6/	34	43	8/40	11	15	147	216	243	210	250
Adjustment 9/	117	88	83	77	93	111	77	64	75	75
Sub-total	2,114	2,328	1,737	2,397	2,367	2,975	2,874	1,775	1,719	1,910
Soybeans (oil equivalent)	1,209	1,552	1,431	1,685	1,983	2,103	2,265	2,764	2,930	3,025
Total exports	3,323	3,880	3,168	4,082	4,350	5,078	5,139	4,539	4,649	4,935
Domestic use										
Butter	1,449	1,373	1,380	1,400	1,332	1,399	1,291	1,193	1,094	1,200
Lard 10/	2,024	2,003	1,969	1,982	1,904	1,786	1,780	1,676	1,781	1,925
Cottonseed oil	1,147	1,299	1,461	1,352	1,347	1,407	1,555	1,590	1,157	1,050
Soybean oil	3,304	3,376	3,329	3,540	3,624	4,058	4,069	4,687	4,742	4,850
Other 4/	796	773	912	968	1,040	1,230	1,162	1,233	1,335	1,475
Adjustment 9/	-117	-88	-83	-77	-93	-111	-77	-64	-75	-75
Total 10/	8,603	8,739	8,968	9,165	9,154	9,769	9,780	10,320	10,034	10,425
Total (calculated net) 11/	8,576	8,721	8,869	8,973	9,279	9,884	9,814	10,219	10,002	
Total use for food 12/	8,389	8,438	8,562	8,600	8,846	9,605	9,279	9,918	9,652	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	
Per capita, civilian and military 13/										
Butter (fat content)	6.6	6.1	6.1	6.1	5.7	5.9	5.3	4.9	4.4	
Other	39.4	39.3	39.2	38.7	39.8	42.9	41.2	44.4	43.1	
Total (fat content)	46.0	45.4	45.3	44.8	45.5	48.8	46.5	49.3	47.5	

1/ Preliminary. 2/ Based on January 1968 indications 3/ Includes estimates of butter oil, ghee, and canned butter. 4/ Includes beef fats, cottonseed, peanut, corn, olive, safflower and sesame oils. 5/ Shortening, margarine, salad and cooking oils. 6/ Includes oil equivalent of oilseeds exported. 7/ Includes shipments. Butter, cottonseed oil and adjustments includes quantities from CCC stocks that are not reported in Census data. 8/ Includes estimates of foreign donations of fats and oils, not reported by Census. 9/ Includes exports of processed food oils not classified by kind, shortening and other secondary fats. 10/ Adjusted for estimated changes in stocks of farm lard. 11/ Adjusted to reflect changes in stocks of finished products. 12/ Excludes food fats used for non-food purposes, but includes non-food oils (mostly coconut and palm kernel) used in food. 13/ Adjusted for trade and changes in stocks of shortening, margarine and salad and cooking oils. * Available for export and carryover.

COTTONSEED

1967 Crop Down a Fifth, But Farm Prices Are Lower

The 1967 cottonseed crop was 3,133,000 tons, compared with 3,960,000 in 1966, and the 1961-65 average of 6,127,000 tons. An unusually small 1967 crop resulted mostly from diversion of acreage under the Upland Cotton Program; heavy abandonment of planted acreage; and poor yields, due to unfavorable weather along with insect and disease damage. Cottonseed yield per harvested acre in 1967 was 775 pounds, compared with 829 pounds in 1966 and the 1965 record of 894 pounds. The season average price received for 1967 crop cottonseed was $55.10 per ton (preliminary estimate) compared with $65.90 in 1966. Cottonseed prices are down this year because of the poor quality of the crop and lower cottonseed product prices. The 1967 cottonseed crop will produce about 1.0 billion pounds of crude cottonseed oil, compared with 1.3 billion the year before.

USDA announced on January 26 that 1968-crop cottonseed will be supported at $48 per ton, unchanged from last year.

Oil Usage Down Sharply; Price 2½¢ Over Soybean Oil

The total supply of cottonseed oil for the marketing year that started August 1, 1967, is estimated at 1.3 billion pounds, compared with 1.6 billion last year. Domestic use is estimated at 1.0 billion pounds--approximately equal to the 1967/68 output. Exports probably will be even less than the 79 million pounds shipped abroad in 1966/67 (table 9).

Domestic disappearance of cottonseed oil during August-November 1967 totaled 400 million pounds, some 9% less than the same 4 months in 1966. Usage of cottonseed oil in shortening and cooking salad oils was down 10%, and consumption in margarine was off 30%. Cooking and salad oils are the major outlet for cottonseed oil, accounting for about three-fifths of total domestic use. Shortening comprises over a fifth; margarine and industrial products (mainly from foots) account for the remainder. Use of cottonseed oil in the manufacture of shortening and margarine is down again this year because of increased consumption of lard and soybean oil in these products. Manufacturers of cooking and salad oils have been turning to blended vegetable oils or switching to lower-priced soybean oil in order to remain competitive.

Cottonseed oil exports during August-December of the current marketing year were 23 million pounds. Although down only slightly from 1966/67, exports were sharply below the 191 million pounds shipped during August-December 1965. The decline results mainly from reduced U.S. availabilities and relatively high prices. Cottonseed oil in Western Europe--the major U.S. dollar market--has not been competitive with foreign oils (such as sunflower, peanut and rapeseed).

Cottonseed oil prices (crude, Valley) during August-January 1967/68 were relatively stable. They averaged 11.5 cents per pound, compared with 13.8 cents the same 6-month period the year before. Lower prices this year mainly reflect the general decline in prices of competitive fats and oils. During August-January 1967/68, the price premium of cottonseed oil (Valley) averaged 2½ cents per pound over soybean oil (Decatur). Next summer, oil prices will be affected by prospects for a greatly expanded 1968 cottonseed crop.

LARD

Output Up Slightly This Year; Price at 27-Year Low

Lard production for the 1967/68 marketing year that started October 1 may run a little above the 2.1 billion pounds of a year ago (table 10). Commercial hog slaughter during October-December was 4% ahead of 1966, although lard yield per hog was down slightly.

Table 9.--Cottonseed, cottonseed oil, and meal: Supply and disposition, crop years, 1959-67

Item	Year beginning August								
	1959	1960	1961	1962	1963	1964	1965	1966	1967 1/
COTTONSEED	Cottonseed								
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Supply									
Stocks, August 1	100	105	188	280	234	168	156	204	209
Production	5,991	5,886	5,978	6,139	6,192	6,237	6,087	3,960	3,133
Total supply	6,091	5,991	6,166	6,419	6,426	6,405	6,243	4,164	3,342
Disposition									
Seed, feed and residual	487	446	340	342	364	316	296	160	262
August-December									
Crushings	2,808	2,776	2,610	2,916	2,815	2,679	2,625	1,942	1,474
Exports	1	1	2	5	1	1	2/	2/	2/
Supply remaining January 1	2,795	2,768	3,214	3,156	3,246	3,409	3,322	2,062	1,606
January-July									
Crushings	2,683	2,576	2,929	2,917	3,071	3,247	3,109	1,848	1,426
Exports	7	4	5	5	7	6	9	4	4
Season totals									
Crushings	5,491	5,352	5,539	5,833	5,887	5,926	5,734	3,790	2,900
Exports	8	5	7	10	8	7	9	5	5
Stocks, July 31	105	188	280	234	168	156	204	209	175
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Price per ton									
Support 3/	34.00	34.00	45.00	44.00	44.00	44.00	43.00	48.00	48.00
Received by farmers	38.80	43.60	51.10	47.90	50.70	47.10	46.70	65.90	55.10
COTTONSEED OIL	Cottonseed oil								
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Supply									
Stocks, August 1	212	287	250	324	514	624	421	301	298
Production	1,861	1,808	1,865	1,942	1,981	1,999	1,896	1,261	975
Total supply	2,073	2,095	2,115	2,266	2,495	2,624	2,317	4/1,579	1,273
Disposition									
August-November									
Domestic disappearance	372	345	490	522	498	518	628	439	400
Exports 5/	178	117	110	89	101	226	143	19	18
Stocks, December 1	380	390	320	461	637	535	281	309	228
December-July									
Domestic disappearance	891	1,110	831	857	889	984	1,040	762	600
Exports 5/	344	273	360	285	382	475	205	60	55
Season totals									
Domestic disappearance	1,263	1,455	1,321	1,379	1,387	1,502	1,668	1,201	1,000
Exports 5/	522	390	470	374	483	701	348	79	73
Total distribution	1,785	1,845	1,791	1,754	1,883	2,203	2,016	1,280	1,073
Stocks, July 31	287	250	324	514	624	421	301	298	200
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Price per pound									
Crude, tank cars, Valley	10.0	11.6	12.4	10.4	9.9	11.5	12.8	12.9	8/11.5
COTTONSEED MEAL	Cottonseed meal								
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Supply									
Stocks, August 1 6/	116	190	143	134	190	249	168	134	148
Production	2,547	2,504	2,506	2,734	2,790	2,770	2,695	1,801	1,375
Imports	32	43	72	45	33	14	43	59	55
Total supply	2,696	2,738	2,721	2,913	3,013	3,032	2,906	1,994	1,578
Disposition									
August-December									
Feed 7/	1,202	1,202	1,273	1,350	1,311	1,301	1,264	974	710
Exports	114	45	6	60	34	69	70	6	2
Stocks, January 1	110	198	82	101	188	127	81	94	147
January-July									
Feed 7/	1,157	1,336	1,307	1,275	1,398	1,419	1,399	864	715
Exports	33	12	1	37	21	76	39	3	3
Season totals:									
Feed 7/	2,359	2,538	2,580	2,625	2,709	2,720	2,663	1,838	1,425
Exports	147	57	7	97	55	145	109	9	5
Total distribution	2,506	2,595	2,587	2,722	2,764	2,865	2,772	1,847	148
Stocks, July 31 6/	190	143	134	190	249	168	134	148	
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Price per ton									
Bulk, Memphis	55.65	55.10	59.25	65.60	63.35	59.90	68.80	78.55	8/77.00

1/ Preliminary. 2/ Less than 500 tons. 3/ Purchase price, basis grade. 4/ Includes 17 million pounds imported. 5/ Beginning 1960 includes estimates of foreign donations, not reported by Census. Donations reported by Census since January 1965. 6/ Stocks at Processors' plants. 7/ Includes small quantities of cottonseed meal used for fertilizer on farms of cotton growers, estimated at 30,000 tons annually. 8/ August-January average.

Domestic use of lard for 1967/68 is placed at 1.9 billion pounds, compared with 1.8 billion a year earlier. The increased use is expected mainly in shortening, because lard is priced lower than other competitive edible fats and oils. For the first 2 months of 1967/68, 18% more lard was used in shortening than last year. In September 1967, USDA started buying lard-shortening for distribution to needy families, schools, and institutions. About 41 million pounds had been purchased through January 26, 1968, under this program, virtually all of which has been lard. During October-March 1966/67, USDA purchased 79 million pounds of these products with Section 32, P.L. 320 funds.

U.S. lard exports are facing increased competition this year, due partly to increased lard production abroad and the current EEC lard export subsidy of $66.55 per metric ton (3.0 cents per pound).

Lard imports to the EEC are subject to both duties and levies. In recent years, European consumers have tended to substitute vegetable oils for animal fats. At the same time, domestic lard production has increased. It appears that despite the lowest U.S. lard prices in 27 years, exports and shipments during 1967/68 may fall below the 247-million-pound level of last year.

Lard prices (tanks, loose, Chicago) dropped from 6.9 cents in October 1967 to 6.0 cents in January 1968. Prices for this period averaged 6.5 cents per pound, compared with 9.8 cents a year ago. The decline mainly reflects increased lard output this year, reduced export prospects, along with the general price decline in food fats and oils. Lard prices probably hit their seasonal lows in January.

PEANUTS

Supplies Record High; Farm Prices at Support

The total supply of peanuts (farmers' stock basis) in the marketing year which began August 1, 1967, is placed at 2.9 billion pounds, 4% above last year and the largest of record. The 1967 peanut crop--also a record at 2.5 billion pounds--is around one-third above requirements for food and farm use. The surplus is expected to be acquired by CCC under the price support program. The season average price received by farmers for 1967-crop peanuts is estimated at 11.4 cents per pound, equivalent to the 1967 support price and a shade above last year. Producer loans and purchases on 1967-crop farmers' stocks peanuts are available through January 1968. Loans to peanut grower associations will mature on demand by CCC.

Edible Consumption Up 4% This Year

About two-thirds of the total U.S. disappearance of peanuts is in edible products--chiefly peanut butter, candy, salted, and roasted-in-shell peanuts. The remaining one-third is crushed for oil and meal, exported, used for seed and feed, or is classified as farm loss.

During August-December 1967, shelled peanuts reported used in edible primary products totaled 435 million pounds, about 4% more than last year. Most of the increase was in peanut butter manufacture. This is about in line with the increase estimated for the entire marketing year.

The edible consumption rate of peanuts for 1967/68 is estimated at 8 pounds per person--up slightly from the 7.6 pounds a year earlier. The increase will be mainly in peanut butter and peanut candy. Demand for peanut products has increased in recent years at relatively stable prices to peanut growers.

Peanut crushings during 1967/68 are expected to exceed the 576 million pounds (farmers' stock basis) crushed last year. The level of crush will depend somewhat upon the CCC diversion policy (with respect to peanuts acquired under the 1967 support program). Crushings of shelled peanuts during August-December 1967 totaled 155 million pounds, about 25% above the year earlier level. Peanut exports are running 36% ahead of last year.

Table 10.--Lard: Supply and disposition, 1947-67

Year beginning October	Supply			Disposition				Price per pound, loose, Chicago
				Exports and shipments			Domestic disappearance 1/	
	Production	Stocks October 1	Total	Exports	Shipments	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
1947	2,283	142	2,425	298	45	343	1,956	22.2
1948	2,480	117	2,597	556	48	604	1,912	13.2
1949	2,629	66	2,695	520	64	584	2,022	10.9
1950	2,812	82	2,894	583	47	630	2,184	16.0
1951	2,918	57	2/2,981	688	63	751	2,071	11.5
1952	2,509	143	2,653	467	48	515	2,111	10.1
1953	2,248	42	2,290	398	58	456	1,773	16.2
1954	2,564	50	2,614	528	59	587	1,959	11.5
1955	2,852	75	2,927	662	57	719	2,065	10.3
1956	2,614	123	2,737	530	60	590	2,039	12.7
1957	2,423	69	2,492	394	65	461	1,994	11.6
1958	2,679	46	2,725	536	73	608	2,024	8.7
1959	2,726	93	2,819	655	62	716	2,003	8.2
1960	2,481	92	2,573	446	66	513	1,969	9.9
1961	2,468	100	2,568	446	62	508	1,982	8.6
1962	2,495	73	2,568	508	63	571	1,904	8.2
1963	2,475	81	2,556	637	69	706	1,786	9.2
1964	2,205	68	2,273	366	65	431	1,780	11.5
1965	1,900	62	1,962	156	62	218	1,676	11.7
1966 3/	2,066	64	2,130	184	63	247	1,781	8.7
1967 4/	2,150	107	2,257	160	65	225	1,925	5/6.5

1/ Adjusted for estimated changes in stocks on farm. 2/ Includes 6 million pounds imported. 3/ Preliminary. 4/ Forecast except stocks October 1. 5/ October-January average.

Totals computed from unrounded numbers.

Table 11.--Lard: Utilization, year beginning October, 1947-66

Year beginning October	Food uses				Non-food uses			Total domestic disappearance
	Shortening	Margarine	Direct use	Total	Soap	Other industrial	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1947	115	4	1,831	1,950	5	2	6	1,956
1948	122	4	1,767	1,893	1/	18	18	1,912
1949	159	4	1,825	1,989	---	33	33	2,022
1950	201	5	1,892	2,097	58	29	87	2,184
1951	214	4	1,829	2,048	---	23	23	2,071
1952	249	7	1,847	2,103	---	8	8	2,111
1953	139	6	1,626	1,772	1/	1	1	1,773
1954	291	11	1,650	1,952	2	5	7	1,959
1955	403	27	1,631	2,061	1	2	4	2,065
1956	425	27	1,584	2,036	1	2	3	2,039
1957	345	19	1,630	1,993	1/	1	1	1,994
1958	425	26	1,564	2,015	---	10	10	2,024
1959	511	60	1,421	1,992	---	11	11	2,003
1960	497	58	1,399	1,954	---	15	15	1,969
1961	562	80	1,324	1,966	---	16	16	1,982
1962	588	76	1,225	1,889	---	15	15	1,904
1963	470	68	1,231	1,769	---	18	18	1,786
1964	473	94	1,200	1,767	---	13	13	1,780
1965	477	67	1,115	1,659	---	17	17	1,676
1966 2/	552	122	1,080	1,754	---	28	28	1,781

1/ Less than 500,000 pounds
2/ Preliminary.
Totals computed from unrounded numbers.

FLAXSEED

Supply Down One-Fourth; Linseed Oil Exports Off Sharply

Flaxseed supplies for the current marketing year which began July 1, 1967, are now placed at 29 million bushels. This is approximately 10 million bushels or one-fourth below the year just ended (table 12). Flaxseed production--at 19.9 million bushels--is the smallest since 1939. Crushings are estimated at around 18 million bushels, down from the 19.7 million of the previous year. Exports are expected to total around 5 million bushels (3 million have already been shipped). Last season, a total of 7.5 million bushels were exported. Another 2 or 3 million bushels are expected to be used to plant the 1968 crop, leaving about 4 million bushels for carryover stocks on June 30, 1968.

The season average price received by farmers for 1967-crop flaxseed is estimated at $2.95 per bushel. This would be slightly above the 1967 support price of $2.90 per bushel and the $2.89 received in 1966/67. Through December 31, 1967, producers placed 2.2 million bushels of 1967 flaxseed under support compared with 1.6 million the year before. Price support loans are available up to 30 days prior to the loan maturity dates. Loans will mature on May 31, 1968, in Minnesota, Montana, North Dakota, South Dakota, and Wisconsin, and on April 30, 1968, in all other States except Texas, which has a special program. On the loan maturity date CCC also will purchase any non-loan flaxseed from farmers who make application.

USDA announced on January 26 that 1968-crop flaxseed will be supported at $2.90 per bushel, unchanged from last year. Earlier, on January 19, USDA announced that flaxseed could be planted on feed grain and cotton diverted acreage in 1968. However, where flaxseed is planted on these diverted acres, diversion payments will be reduced 50%.

During July-November 1967, domestic disappearance of linseed oil totaled 126 million pounds, down from the 140 million pounds for this period a year ago. For the entire 1967/68 marketing year, domestic disappearance is expected to total around 300 million pounds, compared with 326 million in 1966/67. During July-December 1967, linseed oil exports totaled 7 million pounds, compared with 82 million for this period a year ago. Linseed oil exports have dropped sharply since the Flaxseed and Linseed Oil Export Program, which provided subsidy payments, was suspended on June 6, 1967. Linseed oil stocks on December 1, 1967, totaled 223 million pounds, the highest since June 1966. The CCC is still holding, on a commingled basis, the 80 million pounds of linseed oil acquired through a toll crush program for 1963-crop flaxseed.

Linseed oil (raw, Minneapolis) during July-January 1967/68, averaged 13.0 cents per pound, fractionally above the year-earlier period. Linseed meal prices (bulk, Minneapolis) during the same period averaged $74 per ton, or about $6 below the comparable period a year ago.

INEDIBLE TALLOW

1967/68 Output To Increase Slightly; Prices Lowest In Nearly 15 years

Inedible tallow and grease production during 1967/68 may run around 100 million pounds above the 4.6 billion in 1966/67 (table 13). Hog slaughter during the fall months was moderately above last year's levels, but cattle slaughter was about the same. Slaughtered cattle weights averaged slightly below those of a year ago, but slaughtered hog weights were slightly above.

During 1967/68, domestic disappearance is estimated at around 2½ billion pounds, or about the same as the year before. Roughly one-half of total annual production is utilized domestically. About two-thirds of this amount is used in animal feeds and soap making, the 2 major markets.

Table 12.--Flaxseed, linseed oil, and meal: Supply and disposition, crop years, 1959-67

Item	Year beginning July								
	1959	1960	1961	1962	1963	1964	1965	1966	1967 1/
FLAXSEED	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
					Flaxseed				
Supply									
Stocks, July 1	14.6	3.0	5.3	3.6	8.4	13.1	10.9	15.3	9.3
Production	21.2	30.4	22.2	32.2	31.0	24.4	35.4	23.4	19.9
Total supply	35.9	33.4	27.5	35.8	39.4	37.5	46.3	38.7	29.2
Disposition									
Seed and residual	1.4	1.1	3.4	2.1	3.4	-.7	3.0	2.2	2.5
July-December:									
Crushings	14.4	9.5	10.5	10.3	8.8	11.4	10.9	10.3	8.4
Exports	7.6	3.5	1.0	3.4	2.5	5.9	3.2	4.7	3.2
Supply remaining, Jan. 1	12.5	19.3	12.6	15.8	24.8	20.9	29.2	21.5	15.1
January-June:									
Crushings	8.8	10.5	8.5	10.7	10.6	9.4	11.8	9.4	9.5
Exports	.7	3.5	.5	.9	1.1	.6	2.1	2.8	1.8
Season totals									
Crushings	23.2	20.0	19.0	21.0	19.4	20.8	22.7	19.7	18
Exports	8.3	7.0	1.5	4.3	3.6	6.5	5.3	7.5	5
Stocks, June 30	3.0	5.3	3.6	8.4	13.1	10.9	15.3	9.3	4
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Price per bushel									
Support 3/	2.38	2.38	2.80	2.90	2.90	2.90	2.90	2.90	2.90
Received by farmers	3.00	2.65	3.26	2.83	2.76	2.82	2.80	2.89	2.95
LINSEED OIL					Linseed oil				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Supply									
Stocks, July 1	97	90	94	105	131	144	198	241	199
Production	465	399	391	428	394	418	463	405	360
Total supply	562	489	485	533	524	562	661	646	560
Disposition:									
July-November									
Domestic disappearance	205	157	162	163	158	149	140	140	126
Exports	2	4	1	1	11	13	40	66	4
Stocks, December 1	143	93	117	117	109	178	200	218	223
December-June:									
Domestic disappearance	213	213	216	231	207	195	196	186	174
Exports	53	20	1	8	3	7	44	55	21
Season totals									
Domestic disappearance	418	370	378	394	365	344	336	326	300
Exports	55	24	2	9	14	20	84	121	25
Total distribution	473	394	380	403	379	364	420	447	325
Stocks, June 30	90	94	105	131	144	198	241	199	235
Price per pound	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Raw, tanks, Minneapolis	13.5	12.9	15.2	13.0	13.0	13.7	12.9	12.8	7/13.0
LINSEED MEAL					Linseed Meal				
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons
Supply									
Stocks, July 1 4/	10	46	25	10	21	24	20	15	28
Production	426	378	358	388	360	381	398	363	320
Total supply	436	424	382	398	381	405	418	378	348
Disposition									
July-December									
Feed	171	168	196	146	147	163	128	110	98
Exports	61	36	16	49	31	66	82	94	80
Stocks, January 1 4/	41	25	12	8	8	8	4	7	6/10
January-June:									
Feed	155	194	163	178	177	143	161	134	127
Exports	6	3	5/	5	2	14	33	17	15
Season totals									
Feed	326	362	359	324	324	306	289	244	225
Exports	67	39	16	54	33	80	115	111	95
Total distribution	393	401	375	378	357	386	404	355	320
Stocks, June 30 4/	46	25	10	21	24	20	15	28	
Price per ton	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Bulk, Minneapolis	62.95	53.35	62.70	67.50	61.20	59.10	70.53	76.36	7/74.00

1/ Preliminary. 2/ Less than 500,000 bushels. 3/ Farm basis. 4/ Stocks at processors plants. 5/ Less than 500 tons. 6/ Estimate. 7/ July-January average.

Table 13.--Tallow, inedible, and greases: Supply and disposition, 1935-39 average and 1947-67

Year beginning October	Supply				Disposition		Price per pound Chicago	
	Apparent production 1/	Imports	Stocks Oct. 1	Total	Exports and shipments	Domestic disappearance	Prime	No. 1
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Cents
Average								
1935-39	888	51	315	1,254	86	949	6.2	5.6
1947	1,980	1	259	2,240	74	1,842	18.5	17.3
1948	2,101	1	325	2,427	373	1,699	8.2	6.9
1949	2,150	2	356	2,508	497	1,733	6.8	5.9
1950	2,343	4	279	2,626	509	1,777	13.5	11.9
1951	2,268	1	340	2,609	720	1,550	6.3	5.1
1952	2,616	1	340	2,957	1,070	1,523	4.3	3.6
1953	2,661	3	363	3,027	1,186	1,574	6.2	5.6
1954	2,875	4	268	3,147	1,265	1,620	7.0	6.5
1955	3,215	2	260	3,477	1,494	1,677	6.9	6.3
1956	3,147	3	306	3,456	1,431	1,786	7.1	6.6
1957	2,896	2/	239	3,135	1,107	1,799	7.6	7.0
1958	3,214	2	230	3,444	1,311	1,808	6.6	6.0
1959	3,540	2/	327	3,867	1,718	1,806	5.2	4.5
1960	3,561	2/	343	3,904	1,769	1,745	6.0	5.3
1961	3,776	2	389	4,167	1,710	2,093	5.1	4.6
1962	3,829	2	365	4,196	1,738	2,124	5.0	4.5
1963	4,604	2	334	4,940	2,338	2,320	5.9	5.4
1964	4,461	2	282	4,743	2,155	2,239	7.8	7.3
1965	4,419	1	351	4,770	1,962	2,393	7.3	6.8
1966 3/	4,655	4	417	5,076	2,214	2,454	5.5	5.0
1967 4/	4,750	1	409	5,160	2,300	2,500	5/ 4.6	

1/ Apparent production computed from factory consumption, net foreign trade, and change in stocks. Reported factory consumption excludes that from small rendering plants. 2/ Less than 500,000 pounds. 3/ Preliminary. 4/ Forecast. 5/ October-January average.

Table 14.--Tallow, inedible, and greases: Utilization, 1935-39 average and 1947-66

Year beginning October	Non-food products						
	Soap	Animal feeds	Fatty acids	Lubricants and similar oils	Other	Loss	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average							
1935-39	787	---	---	---	161	1	949
1947	1,510	---	184	23	125	---	1,842
1948	1,381	---	173	25	119	2	1,699
1949	1,335	---	202	21	176	---	1,733
1950	1,280	---	250	28	217	1	1,777
1951	1,103	---	199	24	224	---	1,550
1952	1,008	---	237	24	252	1	1,523
1953	967	71	245	25	258	8	1,574
1954	861	174	267	38	268	12	1,620
1955	840	263	290	38	229	17	1,677
1956	788	383	284	34	285	13	1,786
1957	744	542	249	29	232	3	1,799
1958	732	476	353	66	182	---	1,808
1959	735	439	391	80	162	---	1,806
1960	732	443	351	70	151	---	1,745
1961	702	732	402	79	177	---	2,093
1962	688	774	433	78	151	---	2,124
1963	660	861	478	91	230	---	2,320
1964	690	714	530	102	203	---	2,239
1965	649	855	575	107	208	---	2,393
1966 1/	665	972	547	98	172	---	2,454

1/ Preliminary.

Totals computed from unrounded numbers.

Inedible tallow exports in 1967/68 are expected to total around the 2.3 billion pound level, up moderately from the 2.2 billion pounds of 1966/67. Exports during October-December 1967, totaled 530 million pounds, 2% above the like period a year ago. This marketing year more tallow will be exported under the P.L. 480 program. India, Pakistan, Korea, and China (Taiwan) are the major takers.

Inedible tallow prices (prime, c.a.f. delivered, Chicago) during October-January 1967/68 averaged 4.6 cents per pound, compared with 6.1 cents a year ago; the lowest level since the autumn of 1953. This reflects the heavy supplies, along with the general reduction in fats and oils prices this year. Stocks of inedible tallow and greases on December 1, 1967, totaled 442 million pounds. They were slightly above 1966, and the largest of record for this date.

TUNG OIL

1967/68 Output Small; Supplies More Than Adequate

The 1967 tung nut crop is estimated at 52,800 tons (air-dried nuts in the husk)--around a third below the 82,900 tons in 1966. Production was down in all 4 of the major-producing States. Tung oil output from this crop is expected to be around 12 million pounds compared with 25 million pounds last season (tables 15 and 16).

Tung oil stocks at the beginning of the marketing year on November 1, 1967, totaled 66.3 million pounds, compared with 53.0 million the year before. Around 95% of the total was owned or controlled by the CCC.

Tung oil imports in 1967/68 are estimated at around 12 million pounds, compared with 21.2 million the year before. Imports during November-December 1967 totaled 4.4 million pounds, slightly below the 5.6 million a year ago. With U.S. tung oil now being sold by the National Tung Oil Marketing Cooperative (on behalf of CCC) at around 13 cents per pound, domestic supplies are more competitive with supplies from South America and this should tend to reduce U.S. imports. According to latest information, tung oil production in South America (Argentina, Brazil and Paraguay) during the year ending July 31, 1968, is estimated at around 52 million pounds, compared with 82 million in 1966/67.

Based on the above estimates, U.S. tung oil supplies in 1967/68 will total 90 million pounds, about a tenth below the year just past. At this level, however, supplies represent around 2½ years of domestic requirements.

Domestic disappearance of tung oil in 1967/68 is expected to increase to around 34 million pounds, compared with 31.6 million in 1966/67. The low price at which tung oil is now being sold (around 13 cents per pound or almost one-half of the 1967 support price of 24 cents) is expected to have a stimulating effect upon domestic usage. Since World War II, domestic use of tung oil has declined, due primarily to erratic swings in production and price, but also a gradual shift from oil-based to water-based paints.

As of late January, a total of 13.5 million pounds of tung oil had been sold, at an average weighted price of 12.7 cents per pound. The National Tung Oil Marketing Cooperative (in behalf of CCC) makes semi-monthly offers of approximately 2 million pounds of tung oil for sale. The first sale was made on October 6, 1966. These sales are expected to continue and will set the market price for U.S. tung oil.

Table 15.--Tung nuts: Supply, disposition, and price, 1947-67

Year beginning November	Supply 1/			Disposition		Price per ton		Oil yield per ton crushed
	Production	Imports	Total	Crushings	Residual 2/	Season average	Support	
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Dollars	Dollars	Pounds
1947	53.2	---	53.2	50.6	2.6	64.90	72.00	316
1948	58.5	2.7	61.2	50.3	10.9	49.10	---	339
1949	87.9	.3	88.2	83.1	5.1	63.70	60.00	322
1950	36.5	---	36.5	35.8	.7	111.00	63.00	343
1951	49.1	.1	49.2	48.5	.7	106.00	67.20	303
1952	132.1	.5	132.6	129.5	3.1	79.80	67.20	335
1953	120.0	---	120.0	112.6	7.4	66.80	63.38	352
1954	51.0	---	51.0	46.6	4.4	59.40	54.96	325
1955	6.2	.5	6.7	3/	---	64.00	51.06	---
1956	103.5	---	103.5	100.2	3.3	53.40	53.76	319
1957	82.6	---	82.6	80.7	1.9	52.30	52.13	315
1958	146.7	---	146.7	143.4	3.3	53.20	53.89	312
1959	110.6	---	110.6	105.7	4.8	52.40	53.50	322
1960	42.6	---	42.6	37.6	5.0	62.50	53.50	346
1961	111.5	---	111.5	106.7	4.8	87.30	63.34	312
1962	22.8	---	22.8	19.9	2.9	122.00	63.34	382
1963	73.5	---	73.5	63.4	10.1	65.50	63.34	323
1964	123.3	---	123.3	115.1	8.2	61.70	63.34	319
1965	33.3	---	33.3	31	2.3	60.50	63.34	316
1966	82.9	---	82.9	78	4.9	57.90	63.34	320
1967 4/	52.8	---	52.8				63.34	

1/ Production and crushings are reported on a fruit basis (air-dried nuts in the husk). Data on imports are reported in terms of nuts. These were converted to a fruit basis by multiplying by 2.25. 2/ Believed to reflect largely statistical discrepancies. 3/ Negligible. 4/ Preliminary.

Table 16.--Tung oil: Supply, disposition, and price, 1947-67

Year beginning November	Supply							Disposition		Price per pound			Oil acquired by CCC
			Stocks, Nov. 1										
			CCC										
	Production	Imports	Owned	Loans out standing	Trade	Total	Total	Exports 1/	Domestic disappearance	Tanks, N. Y. (imported)	Tanks f.o.b. mills 2/	Support	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	Ct.	Ct.	Mil. lb.
1947	16.0	140.4	---	---	31.9	31.9	188.4	10.4	130.4	23.7	---	25.0	7.8
1948	17.0	72.4	7.8	---	39.8	47.6	137.0	10.9	107.7	21.8	---	---	---
1949	26.8	105.9	---	---	18.5	18.5	151.1	8.2	112.5	25.3	25.1	24.1	1.6
1950	12.3	48.2	1.6	---	28.9	30.5	91.0	6.4	3/72.4	36.5	36.7	25.1	---
1951	14.7	30.4	1.6	---	14.4	16.0	61.2	1.3	51.2	39.3	39.1	26.5	---
1952	43.4	13.0	.5	---	8.2	8.7	65.1	.3	49.6	29.7	28.6	26.5	5.8
1953	39.6	41.5	5.8	---	9.3	15.1	96.3	.3	49.3	22.8	23.8	23.9	32.8
1954	15.2	25.2	38.6	---	8.1	46.7	87.1	3.6	51.2	23.6	23.3	21.2	4/
1955	2.2	31.4	19.2	---	13.2	32.4	66.0	1.4	51.6	24.7	24.4	20.0	---
1956	32.0	31.5	.4	---	12.6	13.0	76.5	1.3	50.4	23.1	22.7	21.0	15.0
1957	25.5	24.7	15.0	---	9.8	24.8	75.0	.4	37.7	21.7	21.4	20.5	11.1
1958	44.8	25.0	25.8	---	11.1	36.9	106.6	5/20.7	47.4	22.6	21.9	21.0	24.6
1959	34.0	26.0	30.0	---	8.5	38.5	98.5	5/19.2	42.0	22.3	21.9	20.9	16.1
1960	13.0	25.8	23.0	---	14.3	37.3	76.1	5/26.4	41.5	26.6	26.5	20.9	---
1961	33.3	17.1	---	---	8.2	8.2	58.6	11.3	3/35.9	35.7	35.2	24.0	---
1962	7.6	20.3	---	---	12.5	12.5	40.4	2.5	3/31.7	38.4	38.0	24.0	---
1963	20.6	29.5	---	---	6.8	6.8	56.9	2.2	34.0	26.4	26.7	24.0	15.0
1964	36.8	25.0	14.8	---	5.9	20.7	82.5	1.0	3/34.0	25.8	25.9	24.0	6/24.0
1965	10.0	28.4	14.1	24.0	13.1	51.2	89.6	.8	3/35.8	22.1	24.1	24.0	6/31.3
1966	25.0	21.2	15.7	31.4	5.9	53.0	99.2	1.3	31.6	14.9	---	24.0	6/24.6
1967 7/	12	12	7.1	55.6	3.6	66.3	90	1	34	8/14.0	---	24.0	

1/ Includes re-exports. 2/ Not available prior to April 1949. 3/ Factory consumption figures used for years in which reported factory consumption exceeds computed domestic disappearance. 4/ Less than 50,000 pounds. 5/ CCC export sales. 6/ Loans extended by CCC. 7/ Preliminary. 8/ November-December 1967 average.

THE U.S. CASTOR OIL SITUATION

by

George W. Kromer

Industrial uses of castor oil in the United States have increased from 128 million pounds annually in 1957-59 to around 150 million pounds during 1965-67. Increased consumption in recent years may have been stimulated by the Vietnam war. In 1967, roughly two thirds of domestic requirements for castor oil were supplied through imports (mainly from Brazil) and the other third from domestic castorbean production plus oil released from the General Services Administration (GSA) stockpile. (See cover chart).

Monthly castor oil stocks in the United States have been dropping steadily since early 1966 (from 215 million pounds on March 1, 1966 to 145 million on January 1, 1968), mainly due to the liquidation of GSA stockpile oil, while apparent disappearance held around 150 million pounds per year. At the same time, monthly prices of imported castor oil (No. 1 Brazilian) at New York more than doubled--rising from 12¢ per pound in mid-1965 to about 25¢ in January 1968--with the sharpest increases occurring in the closing months of 1967. The higher prices chiefly reflect reduced supplies of castor oil from major exporting countries, particularly Brazil.

Castor oil and its derivatives are used as a raw material in military and defense production and many other industrial products in everyday use. It is the starting material for the manufacture of sebacic acid which is used in making synthetic lubricants for jet aircraft, plastics, and nylon bristles. It is also used in the manufacture of all-purpose greases, hydraulic fluids, artificial leather, pharmaceuticals, cosmetics, soaps, printing inks, special low temperature lubricants, and flexible coatings, as well as plasticizers in the manufacture of explosives and fabrics. One of the largest consumers is the protective-coating industry in which dehydrated castor oil is used as a quick-drying base for paints, lacquers, and varnishes. The medicinal use as a purgative which made castor oil famous now probably accounts for only around 1% of its consumption.

Oil Output from Domestic Castor Crop Declining

U.S. production of castor oil from castor beans produced in this country has declined each year from 30 million pounds in calendar 1963 to an estimated 15 million pounds in 1967. In terms of domestic requirements, the 1963 U.S. oil output accounted for 24% of the total (the balance was mostly imported oil) whereas the 1967 output comprised around 10% of the total (imported oil and GSA stockpile oil the remainder). The progressive decline in U.S. output of castor oil largely reflects depressed prices from 1964 to 1966 associated with unusually large production in Brazil.

Domestic castorbean production has become more concentrated in the High Plains area of Texas, mainly because of the high yields per acre obtained on irrigated land--about a ton per acre. Establishment of a castorbean crushing mill in 1965 at Plainview, Texas, has encouraged this concentration. Castorbeans in the past have been grown in Arizona, California, Kansas, Nebraska, New Mexico, and Oklahoma. U.S. castorbean production has declined steadily from around 64 million pounds in 1963 to about 30 million pounds estimated for 1967. Because of the small size of the crop, the USDA Crop Reporting Board does not make acreage and production estimates for castorbeans nor publish data on prices received by farmers.

Table 17 .--Castor oil: U.S. supply, disposition and price, 1947-68

Calendar year	Supply							Disposition		Price per pound, New York (tanks)	
	Estimated production from		Imports	Stocks, Jan. 1			Total	Exports	Apparent domestic disappearance	Dehydrated	Imported, No. 1 Brazilian
	Domestic material	Imported material		Total	GSA	Trade					
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	Ct.
1947		117	7	19	---	19	143	4	116	33.8	---
1948		136	2	24	---	24	162	2	128	25.8	---
1949		128	11	32	---	32	171	3	1/130	21.6	---
1950		128	47	38	---	38	213	2	1/181	24.0	---
1951	5	74	89	30	---	30	198	1	1/174	38.7	---
1952	8	66	112	23	---	23	209	1	1/182	34.0	---
1953	10	56	127	26	---	26	219	1	1/169	27.7	---
1954	7	55	57	50	---	50	169	1	139	21.8	---
1955	1	49	95	28	---	28	174	1	134	20.5	---
1956	2	23	89	39	---	39	152	3	121	23.8	---
1957	9	16	121	28	---	28	175	3	138	28.2	22.1
1958	18	8	84	33	---	33	143	2	116	27.3	20.3
1959	11	9	116	2/31	---	31	167	2	130	25.1	19.3
1960	14	1	107	35	---	35	157	1	131	25.0	19.3
1961	13	2	119	25	---	25	159	1	123	25.0	19.3
1962	16	9	106	4/257	222	35	388	1	142	25.1	19.0
1963	30	2	98	4/245	207	38	375	1	150	25.1	18.8
1964	28	3/	96	4/224	187	37	348	1	141	25.1	15.9
1965	26	1	129	4/206	173	33	362	---	150	24.7	13.2
1966 5/	18	1	104	4/211	167	44	334	---	153	25.0	15.0
1967 5/	15	3/	97	4/181	140	41	293	---	148	27.3	19.2
1968 6/				4/145	97	48				7/32 5	7/24.5

1/ Includes Government stockpiling. 2/ Beginning with 1959 stocks not directly comparable with earlier years because of the inclusion of hydrogenated oils. 3/ Less than 500,000 pounds. 4/ Includes stocks held by the General Services Administration. 5/ Preliminary. 6/ Estimate. 7/ January average.

Table 18.--Castor oil: U.S. utilization, by products, 1947-67 1/

Calendar year	Paint and varnish	Linoleum and oilcloth	Resins and plastics	Other drying oils	Lubricants and similar oils	Fatty acids	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1947	35	4	---	6	---	---	71	116
1948	48	4	---	1	---	---	75	128
1949	39	3	3	7	---	---	66	2/130
1950	47	6	5	3	---	---	83	2/181
1951	26	3/	9	0	---	---	93	2/174
1952	17	1	19	3	---	---	91	2/182
1953	22	1	16	8	---	---	81	2/169
1954	19	3/	15	5	---	---	99	139
1955	27	---	27	9	---	---	70	134
1956	27	---	37	10	---	---	48	121
1957	27	---	43	10	---	---	58	138
1958	23	---	33	9	---	---	52	116
1959	28	---	46	9	4/6	4/5	37	130
1960	31	---	45	9	6	6	34	131
1961	28	---	39	9	6	6	34	123
1962	43	---	40	9	7	7	35	142
1963	50	---	43	8	7	8	34	150
1964	40	---	50	9	6	11	25	141
1965	48	---	48	10	12	10	21	150
1966 5/	32	---	47	9	12	13	40	153
1967 5/	37	---	32	9	7	31	33	148

1/ Mostly estimates, as Census end-use data are limited in order to avoid disclosing figures for individual companies.
2/ Includes Government stockpiling.
3/ Less than 500,000 pounds.
4/ Prior to 1959 included in "other" category.
5/ Preliminary.

According to trade sources, growers received about 6¢ per pound (clean seed basis) for 1967 crop castorbeans, compared with 5¢ the year before. Farmers grow castorbeans under contract with castor oil processors. The processors agree to pay a guaranteed minimum price at harvest (the minimum was 5¢ for 1967), give specific information on growing the crop, and help make arrangements to harvest it. Castorbean crushing mills are located in Texas and on the east and west coasts.

The price castorbean processors pay growers is directly related to the oil price, as the oil comprises about 90% of the total value of products from a ton of castorbeans. For every pound of oil obtained from the castorseed, there is at least 1 pound of pomace (meal). Castor oil is currently selling for about 25¢ per pound at New York and castor pomace in bags at Bayonne, N. J. about $37.50 per ton. Castor pomace in the past has been largely restricted to fertilizer use because it contains several deleterious components. A toxic protein, a toxic alkaloid and castor allergen are present in the castor seed. Experimental work on a nutritious, nontoxic castor meal for use as a source of protein in cattle feed rations is being carried out. Castor pomace normally contains 36% protein, although some castor meal has been upgraded to 55%.

U.S. Castor Oil Disappearance at High Level in Recent Years

Supplies of castor oil in the United States (including GSA stocks) have declined steadily since 1962, from 388 million pounds that year to less than 300 million estimated for 1967 (table 17). The reduction was due almost entirely to liquidation of stockpile oil held by the federal government. GSA castor oil stocks declined from 222 million pounds (the original stockpile) on January 1, 1962, to approximately 97 million pounds on January 1, 1968. During the same period, trade stocks as of January 1 held relatively stable, averaging about 39 million pounds per year. GSA castor oil was needed to maintain the U.S. consumption since domestic production declined during the period and imports of castor oil held about steady--averaging around 105 million pounds per year.

Domestic direct use of castor oil in paints, varnishes, resins, and plastics has apparently declined slightly in recent years, while use in fatty acids has increased (table 18). These Census categories account for about 2/3 of the 150 million pounds of castor oil disappearing domestically in the United States. 1/

GSA Castor Oil Sales Rate Increase With Higher Prices

During the late 1940's, under the provisions of The Strategic and Critical Materials Stockpiling Act of June 7, 1939 (as amended July 23, 1946), certain oils considered to be of vital importance for national defense were added to the Government stockpile. These oils were castor oil, coconut oil, palm oil, and sperm oil. Except for castor oil, these are imported commodities with no commercial production in the United States. During 1949-1953, the GSA accumulated a castor oil stockpile of 222 million pounds. Technological changes in military uses and industrial production methods subsequently modified these objectives. As a consequence, under authority granted by Congress, the GSA has been liquidating entirely or decreasing the stockpile of these oils.

It was announced in September 1961 that approximately 156 million pounds of crude castor oil would be sold from the U. S. stockpile of 222 million pounds. The disposition rate was not to exceed 30 million pounds per year under a program of

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1/ ERS allocates the unaccounted disappearance to paints and varnishes. The unaccounted disappearance represents the difference between Census reported factory consumption and domestic disappearance calculated from production, imports, and changes in stocks.

Table 19.--Castor oil: U.S. imports, stocks, reported factory consumption and price, by months, calendar years, 1959-67

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total or average
	Imports												
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1959	7	7	11	7	9	8	14	10	13	9	9	12	116
1960	7	8	8	9	7	9	11	7	10	13	6	11	107
1961	7	9	8	7	10	6	15	7	16	14	11	9	119
1962	15	10	5	7	7	4	4	9	15	9	12	9	106
1963	4	10	8	5	7	7	6	13	7	9	14	9	98
1964	6	7	6	3	3	5	6	8	12	16	15	11	96
1965	6	11	12	16	7	8	7	6	13	11	18	15	129
1966	10	11	10	6	6	10	6	7	10	6	14	7	104
1967 1/	15	3	10	5	6	4	5	10	9	11	12	7	97
1968													
1969													
1970													
	Stocks, first of month 2/												
1959	31	26	21	22	24	22	21	27	27	30	30	31	
1960	35	34	31	26	24	21	23	26	24	21	24	24	
1961	25	28	28	25	25	23	20	28	23	32	30	34	
1962	35	42	43	42	40	36	32	29	28	35	34	38	
1963	38	35	36	239	231	229	220	226	225	221	217	218	
1964	224	220	221	215	213	204	198	194	192	192	199	201	
1965	206	204	210	205	208	204	202	199	192	196	198	204	
1966	211	215	215	213	205	199	195	194	192	191	188	185	
1967 1/	181	180	179	176	168	164	156	156	155	154	147	145	
1968	145												
1969													
1970													
	Reported factory consumption 3/												
1959	10	9	11	11	11	13	9	9	10	10	9	11	123
1960	10	10	11	10	11	12	9	10	10	10	9	9	121
1961	9	9	10	10	11	10	7	10	10	10	11	8	116
1962	10	9	11	10	10	11	9	10	10	11	11	10	119
1963	10	10	11	10	10	10	8	10	11	12	11	10	124
1964	11	12	12	12	12	12	9	10	12	12	12	12	137
1965	11	10	12	12	12	12	9	11	12	11	12	11	134
1966	11	11	12	11	12	12	9	10	11	12	10	11	135
1967 1/	11	10	11	11	12	11	7	10	11	11	10	8	122
1968													
1969													
1970													
	Price per pound, New York (Imported tanks, No. 1, Brazilian)												
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1959	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
1960	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
1961	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.3
1962	19.3	19.3	19.3	19.3	19.3	19.3	19.3	19.0	18.5	18.5	18.5	18.5	19.0
1963	18.5	18.5	18.3	19.3	19.3	19.3	19.3	19.3	18.3	18.3	18.3	18.3	18.8
1964	18.3	18.3	18.3	18.3	18.3	14.8	14.3	14.3	14.3	14.2	14.0	13.8	15.9
1965	13.4	12.9	12.8	12.7	12.3	11.8	12.0	13.3	14.4	14.5	14.5	14.3	13.2
1966	14.0	14.0	14.1	14.7	15.1	15.2	15.3	15.3	15.3	15.4	15.6	15.8	15.0
1967 1/	15.8	15.8	16.1	17.3	18.3	18.5	18.7	19.0	19.3	22.6	24.5	24.4	19.2
1968	24.5												
1969													
1970													

1/ Preliminary.

2/ Beginning April 1, 1963, includes stocks held by the General Services Administration.

3/ Census reported factory consumption is somewhat lower than the ERS computed annual domestic disappearance shown in table 17 . The differences probably are due to variances in the ERS estimates of castor oil production from domestically produced castorbeans as compared with actual production (not reported by Census) as well as some unreported castor oil consumption.

Table 20.--Castor oil: GSA sales from stockpile, by years, 1962-1967

Calendar year	Stocks Authorized for sale as of Jan. 1	Sales			Stocks Dec. 31
		Number	Quantity	Weighted average price	
	Mil. lb.	No.	Mil. lb.	Cents per lb.	Mil. lb.
1962	1/ 155.7	3	14.4	14.49	141.3
1963	141.3	5	20.4	14.07	120.9
1964	120.9	4	13.8	13.84	107.1
1965	107.1	2	6.1	13.40	101.0
1966	101.0	5	27.0	14.46	74.0
1967	74.0	6	42.5	18.55	31.5
1968	31.5				

1/ The amount authorized for disposal; the origional stockpile totaled 221.7 million pounds.

regular sealed bid offerings. Since the first offerings on August 15, 1962, about 125 million pounds have been sold through December 1967, leaving the balance authorized for sale on January 1, 1968, of approximately 31 million pounds.

The average price per pound (weighted by sales) received by GSA for castor oil increased from 13.4¢ in 1965 to 18.5¢ in 1967 (table 20). In 1964 and 1965 GSA withdrew from the market to avoid further depressing prices which were falling to a low level as a result of greatly increased world production. However, as market conditions tightened substantially in the later months of 1967, GSA increased its general level of offerings.

The GSA in August 1967 requested authority from Congress to liquidate an additional 46 million pounds of castor oil from the stockpile. If approved, this would leave approximately 22 million pounds in the strategic reserve--roughly 9 million pounds in the form of oil and 5 million pounds as sebacic acid (equivalent to about 12 million pounds of castor oil).

U.S. Leading Importer of Castor Oil

While the United States is a relatively minor producer of castorbeans, it is the world's leading importer and consumer of castor oil, normally accounting for 25 to 30% of the world trade.

U.S. imports of castorbeans as such have virtually disappeared during the 1960's (as major exporting countries processed more castorbeans at home), while imports of castor oil have been maintained at a fairly even level of around 100 million pounds annually (see fig. 1, page 28). This change in character of imports resulted in excess processing capacity on the east and west coasts. These facilities relied mainly on imported beans and were poorly located for processing domestically produced castorbeans because of their distance from domestic castor production.

Prior to 1960, India shared the U.S. market with Brazil, but has not been a factor since. From 1960 through 1965 Brazil supplied about 83% of the castor oil imported into the United States. During 1966 and 1967, however, Japan has emerged as an important supplier, accounting for 21% of U.S. imports in 1967 (table 21). Brazil continues to supply the major U.S. castor oil markets in the East and Mid-West while Japan largely supplies the West Coast.

World Castorbean Production Down a Fifth From 1964 Record

World production of castorbeans reached a peak of 921,000 short tons in 1964. Output has declined since then to 750,000 tons in 1967 (preliminary estimate), 17% less than in 1966 and about 19% below the 1964 record (table 22). Reliable data are lacking for many producing countries, because the castor plant grows wild in most tropical and subtropical regions. The extent of harvesting wild plants depends largely on prevailing prices.

The high level of world production during 1964-66 was mainly due to Brazil, which in these 3 years produced almost one-half of the world's castorbeans. Production in the USSR has been increasing rather steadily. Output in India declined in 1965/66 and 1966/67, due to drought. Castorbean production in Mainland China apparently has been increasing sharply on the basis of expanding export movement. It is possible that China's increased exports to Europe and Japan may be related to decreased exports to Russia.

During the past few years, as oil exports from India dwindled, Brazilian castor oil exports have averaged around 60% of the world total exports of castor oil and castorbeans (oil basis). Some 40% of this oil moved to the United States.

World production of castorbeans is expected to increase sharply in 1968. The outcome of the crop in Brazil is the major factor determining the world situation. Brazil's 1968 crop is expected to increase sharply in response to high castorbean prices. Plantings in South Brazil, which accounts for about one-third of total production, are expected to be substantially above those of 1967,

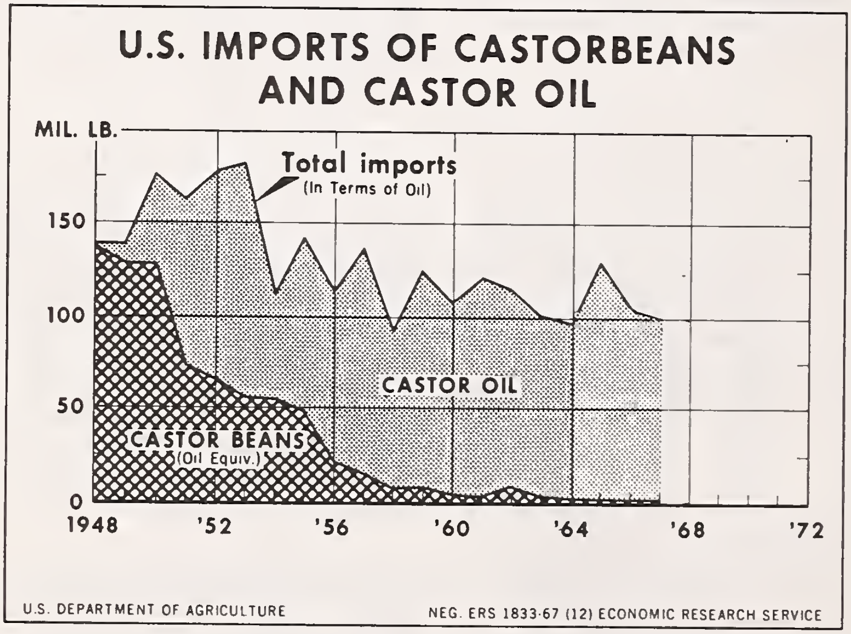

Figure 1

Table 21.--Castor Oil: U.S. imports by country of origin, average 1960-64, annual 1964-67

Country of origin	Average 1960-64		1964		1965		1966 1/		1967 1/	
	Qty.	% of total	Qty.	% of total	Qty.	% of total	Qty.	% of total	Qty.	% of total
	Mil. lb.	Pct.	Mil. lb.	Pct.	Mil. lb.	Pct.	Mil. lb.	Pct.	Mil. lb.	Pct.
Brazil	80.4	80	92.6	96	123.7	95	83.0	80	76.1	78
Japan	4.0	4	3.3	3	2.9	2	18.2	17	20.0	21
India	10.1	10	2/	3/	2/	3/	0.2	3/	---	
Germany, West	2.7	3	2/	3/	0.7	1	2.7	3	----	
Argentina	2/	3/	0.5	1	2.2	2	0	---	---	
All other	3.8	4	2/	3/	2/	3/	2/	3/	.9	1
Total	105.1	100	96.4	100	129.5	100	104.1	100	97.0	100

1/ Preliminary.

2/ Less than 50,000 pounds.

3/ Less than 0.5 percent.

Table 22.--Castorbeans: World production, by leading countries. 1960-64 average, annual 1964-67

Country	Average 1960-64		1964		1965		1966 1/		1967 1/	
	Qty.	% of total	Qty.	% of total	Qty.	% of total	Qty.	% of total	Qty.	% of total
	1,000 tons	Pct.	1,000 tons	Pct.	1,000 tons	Pct.	1,000 tons	Pct.	1,000 tons	Pct.
Brazil	286	38	440	48	391	45	363	40	215	29
India	118	16	112	12	119	14	88	10	89	12
USSR	33	4	60	6	70	8	109	12	88	11
Thailand	47	6	43	5	35	4	49	5	50	7
All other	264	35	266	29	250	29	290	33	308	41
World total	748	100	921	100	865	100	899	100	750	100

1/ Preliminary.

Foreign Agricultural Service.

and a marked production rise is indicated in Bahia which accounts for 35 to 45 % of the total. Trade sources anticipate a bumper outturn from the 1967/68 castor crop in India.

Castor Oil Prices Doubled During Last 2½ Years

Monthly prices of castor oil at New York (imported, tanks, No. 1 Brazilian) have risen from the unusually low level of 11.8¢ per pound in June 1965 to about 25.0¢ in January 1968 (table 19). Current prices are at the highest level since the early 1950's. The 1960-64 average was 18.5 cents per pound. The steady increase in castor oil prices since mid-1965 reflects downtrend in world supplies. Dehydrated castor oil, which is used in the manufacture of paints, varnishes, and other drying oil products, has shown a similar price trend. Monthly prices at New York rose from 24.0¢ per pound in June 1965 to 32½¢ in January 1968.

In the United States, castor oil is currently selling at a much higher price than other competitive drying oils (see fig. 2 below). During 1967, the average price of dehydrated castor oil (tanks, New York) was 27¢ per pound (No.1 imported average 19¢) compared with 14¢ for linseed oil and tung oil, and 17¢ for imported oiticica oil. Tung oil often sells above castor oil, but in recent years CCC has been disposing of its tung oil stocks at competitive world prices (at about one-half the U.S. support price of 24¢ per pound at southern mills).

Short-term changes in castor oil prices are influenced by changes in supply and general level of industrial activity, as well as by variations in supplies and prices of other drying and technical oils.

Castor oil and its derivatives are comparatively more expensive than competing materials. It is consumed mainly by

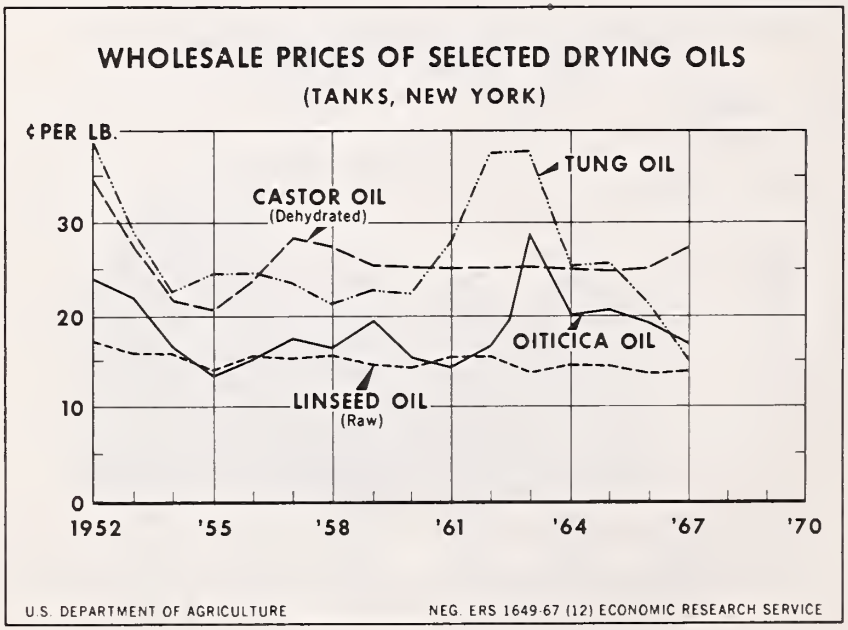

Figure 2

virtue of its superior and unique chemical and physical qualities. Domestic usage appears to be only moderately influenced by year-to-year price changes. However, there are only a few uses in which the special properites of castor oil are of such overriding importance that consumption would continue to be maintained regardless of the price level.

The devleopment of new uses for castor oil probably will depend largely upon the assurance of adequate supplies. If these are not available, or if supplies and prices are likely to fluctuate widely, manufacturers will be less interested in castor oil as a starting material for new processes or uses.

U.S. Outlook for 1968

Castor oil disappearance in the United States during 1968 may continue close to the 150 million-pound rate of recent years, even though oil prices probably will average above the 1967 level of 19¢ per pound (No. 1 imported, Brazilian, New York). Imports are expected to supply around 2/3 of our castor oil requirements in 1968 while domestic production and sales of GSA stockpile oil will make up the remainder.

Expansion in domestic production of castorbeans appears likely in 1968. Favorable prices received by farmers for their 1967 crop, along with relatively high yields, likely will encourage increased plantings this year. Also, a new dwarf-internode hybrid castor seed available for planting the 1968 crop is expected to further increase yields per acre.

USDA announced on January 19, 1968, that castorbeans (as well as guar, sesame, safflower, plantago ovata, sunflower, mustard seed, flaxseed, and crambe) may be grown on feed grain or cotton diverted acreage in 1968. When castorbeans are grown on the diverted acreage, payments will be reduced 50%, the minimun deduction under law. Changes in the 1968 cotton program may help stimulate castorbean acreage in the Southwest. The cotton payment rate for additional voluntary diversion (that above the minimum amount required for program participation) is 6.0¢ per pound compared with 10.78¢ per pound in 1967. A cotton farmer will receive 3¢ per pound (50% of the 6¢) diversion payment when cotton land is planted to castorbeans.

On January 22, USDA announced a limited price support program for 1968 crop castorbeans. A tentative support level of 5½¢ per pound of castorbeans (hulled basis) has been set. The final level of the price support will be determined when USDA establishes a parity price.

The support price will apply to the weight of dehulled castor beans, excluding foreign material and less moisture in excess of 6%, at locations designated in producing areas by oil mills. Price support will be made effective by CCC through contracts with oil mills. The oil mills will agree to pay producers not less than support price for castor beans. If the oil mills cannot sell products produced from the beans at prices sufficient to return the support price plus a reasonable operating margin, CCC will purchase oil from the mills at prices that will provide such return. Total CCC purchases will not exceed 30 million pounds of oil.

The limited price support program is intended to encourage production in this country of around one-fifth of the domestic consumption of castor oil. This production should help to stabilize the supply-demand-price balance over the years and provide a basis for expansion of the castor crop if needed because of emergency conditions at any time in the future.

* *

FOS READERS SURVEY

A random sample survey of subscribers to the Fats and Oils Situation (FOS) was conducted recently to obtain a profile of the readership and to determine if the report adequately meets the reader's needs.

The sample consisted of 2,346 readers or approximately 43% of the total FOS regular mailing list of around 5,500 readers. First mailings were sent out in July, with follow-ups in October to those who had failed to reply. The 2 mailings yielded 1,466 usable replies, representing 62% of the sample and 27% of the total mailing list.

About 36% of the respondents indicated they used the FOS primarily as a source of general information. Around 27% of the readers used it as a guide to decision-making, and 23% used it as a data reference. A smaller number used it for research and other purposes. Thus, the FOS appears to be used for the purposes for which it is intended, that of providing economic information and statistics for farmers and others in the fats and oils industry.

The average number of readers tends to range between 1 and 5 people. However, some replies ranged as high as 200 users.

The FOS is currently published 5 times a year. Approximately 70% of the respondents indicated that this is sufficient. Some 20% thought it should be published more often while around 6% thought fewer issues would be desirable. Of those respondents who wanted more issues and volunteered a number, about 40% thought 6 issues per year would be adequate and another 40% preferred 12 issues. Of those respondents who wanted fewer issues and volunteered a number, about 75% thought 4 issues per year would be desirable. Around 75% of the respondents thought that the length of the report was about right, while less than 8% thought it too long. A very small number thought it was too short.

The FOS readership covers a rather broad audience (table 23). Around 26% are traders or brokers, and another 25% are in industries which process or distribute farm products. Educational institutions (including extension workers) account for 14%, followed by 12% who are associated with Federal, State, and local Governments (excluding extension workers). Advisory services, news media (press, radio, TV, etc.), banking and financing institutions, and persons engaged in farming or farm organizations each account for around 5%. Several other categories make up the small balance.

The respondents were asked to rate the report with respect to outlook information, review of situation, tables and charts, special articles, and the general organization of the report (table 24). Around 90% of the respondents rated the report "good" to "excellent" for each of these questions. "Very good" was the most common rating, accounting for about 40% of the replies.

Readers were asked whether they wanted more, less or the same coverage for the following categories: outlook information, detail in explaining current situation for major commodities, coverage of minor commodities, special articles, statistical tables, and charts (table 25). Roughly 50% of the respondents indicated they desired no change for most of these items. The only exception was that nearly half would like more outlook information coverage. Approximately 20% of the respondents did not indicate a preference. Very few desired less information.

Respondents were asked if they republished, discussed, or otherwise circulated any of the material in the FOS during

Table 23.--Principal business of respondents to the FOS survey

Items rated	Number	Percentage of total
Total responding to survey	1466	100
Farming or farm organization	68	5
Processing or distributing farm products	370	25
Farm equipment, supplies and services	30	2
Transportation and warehousing	10	1
Banking and financing	53	4
Trader or broker	380	26
Advisory services	92	6
News media (press, radio, TV, etc.)	41	3
Educational institution (incl. extension workers)	209	14
Government (excl. extension workers)	177	12
Other	36	2

Table 24.--Ratings of sections of the FOS

Items rated	No response	Excellent	Very good	Good	Fair	Poor	Never use	Total
				Number				
Outlook information	91	320	551	380	93	11	20	1466
Review of situation	108	429	639	250	25	2	13	1466
Tables and charts	118	512	519	244	53	3	17	1466
Special articles	130	375	524	337	76	4	20	1466
General organization of report	152	310	574	371	54	5	n.a.	1466
Average	120	389	562	316	60	5	14	1466
				Percentage of total				
Outlook information	6	22	38	26	6	1	1	100
Review of situation	7	29	44	17	2	1/	1	100
Tables and charts	8	35	35	17	4	1/	1	100
Special articles	9	26	36	23	5	1/	1	100
General organization of report	11	21	39	25	4	1/	n.a.	100
Average	8	27	38	22	4	1/	1	100

1/ Less than 0.5 percent. n.a. Not applicable.

Table 25.--Suggestions for improvement of FOS

Items rated	No response	More	Less	No change	Total
			Number		
Outlook information	198	719	18	531	1466
Detail in explaining current situation for major commodities	228	568	34	636	1466
Coverage of minor commodities	278	209	189	790	1466
Special articles	256	495	56	659	1466
Statistical tables	253	284	108	821	1466
Charts	272	310	90	794	1466
			Percentage of total		
Outlook information	14	49	1	36	100
Detail in explaining current situation for major commodities	16	39	2	43	100
Coverage of minor commodities	19	14	13	54	100
Special articles	17	34	4	45	100
Statistical tables	17	19	8	56	100
Charts	19	21	6	54	100

the past year. About 50% of the 1,466 respondents replied that they did. When asked what part of the material they used, around 15% of the 719 respondents to whom this question applied indicated that they used the whole text, another 15% indicated that they used the summary and part of the text, while another 15% used the tables and charts. A smaller number used the summary only, special articles, or some combination of the 5 basic categories.

Respondents also were asked to indicate the type of media used to disseminate information. Of the 719 respondents to whom this question applied, some used more than 1 medium and some gave no reply. As a result, a total of 861 responses were recorded for types of media used. Meetings were the most important way in which the information was used with 57% of the responses. Newsletters ranked second, with a little over 20% of the responses. Radio-TV, newspaper and journal articles also were other important means of disseminating information. Based on the replies from about 75% of the 719 respondents who provided data on the number of people they reached, it is estimated that the information disseminated by them covered an audience of roughly 2 million people annually.

Finally, respondents were asked for additional comments or suggestions for improving the report. Around 50% of the participants replied to this question and around 75% of these indicated they preferred no change. For those who offered suggestions, most requested more information on world production and trade, more technical analysis, expansion of the FOS report, and other miscellaneous requests.

Special Mailing List Surveyed

In addition to the main survey of regular readers, a special mailing list which consisted primarily of persons engaged in disseminating information through the news media, also was surveyed. Out of a total of about 100 questionnaires mailed, 21 usable replies were received. For the most part, the results from this mailing corresponded rather closely to the main survey, except in several instances.

Around 85% of the respondents from the special survey indicated that they republished, discussed, or other wise circulated information from the FOS, compared with around 50% from the main survey. Newspapers and trade or farm journals were the main types of media used by respondents in the special survey, compared with meetings and newsletters in the main survey. Under the special survey, respondents indicated that they reached an audience of approximately 12 million people per year, compared with around 2 million by the main survey. Also they generally preferred more frequent reports than the 5 now issued each year.

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Table 26.--Food fats and oils: Supply and disposition, 1962-67

Total 1/

Year beginning October	Production			Stocks		Domestic disappearance			Exports		
	Oct.-Nov.	Dec.-Sept.	Oct.-Sept.	Oct. 1	Dec. 1	Oct.-Nov.	Dec.-Sept.	Oct.-Sept.	Oct.-Nov.	Dec.-Sept.	Oct.-Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1962	2,751	11,102	13,853	1,488	1,656	1,702	7,189	8,891	872	3,479	4,351
1963	2,622	11,233	13,856	2,065	2,106	1,752	7,727	9,479	822	4,195	5,018
1964	2,863	11,257	14,120	1,361	1,349	1,724	7,841	9,565	1,142	3,898	5,040
1965	2,927	11,702	14,629	831	901	1,850	8,274	10,125	1,001	3,367	4,368
1966	2,850	11,878	14,727	925	1,039	1,773	8,046	9,819	956	3,575	4,531
1967	2,814			1,269	1,224	1,774			1,077		
	Butter (actual weight), except farm 2/										
1962	213	1,242	1,456	419	376	238	1,057	1,296	18	113	131
1963	184	1,241	1,425	450	318	257	1,113	1,370	59	260	319
1964	191	1,198	1,389	188	97	234	1,033	1,267	48	102	150
1965	156	947	1,103	161	83	230	946	1,176	4	20	24
1966	159	1,071	1,230	68	39	187	894	1,081	1	6	7
1967	167			212	186	192			1		
	Lard, except farm										
1962	448	1,941	2,389	73	93	344	1,465	1,810	84	488	571
1963	422	1,962	2,384	81	92	317	1,374	1,691	93	612	706
1964	429	1,701	2,130	68	104	269	1,436	1,705	124	307	431
1965	339	1,515	1,854	62	66	300	1,334	1,634	36	182	218
1966	357	1,677	2,034	64	78	297	1,447	1,744	46	201	247
1967	378			107	106	323			56		
	Beef fats 3/										
1962	71	409	480	21	24	66	391	457	2	8	9
1963	107	471	578	34	29	111	467	578	1	9	10
1964	96	439	535	25	29	90	437	527	1	10	11
1965	98	466	563	22	26	89	441	530	4	12	16
1966	106	505	612	40	43	100	464	563	4	16	20
1967	91			70	70	88			4		
	Total edible vegetable oils 4/ 5/										
1962	2,019	7,510	9,529	975	1,163	1,067	4,355	5,422	755	2,791	3,546
1963	1,909	7,559	9,469	1,500	1,667	1,081	4,870	5,951	654	3,218	3,872
1964	2,148	7,919	10,067	1,080	1,120	1,152	4,992	6,144	948	3,421	4,369
1965	2,334	8,774	11,108	587	726	1,244	5,604	6,849	945	3,102	4,047
1966	2,228	8,624	10,852	753	879	1,206	5,299	6,505	888	3,294	4,182
1967	2,178			879	862	1,180			1,007		

Continued -

Table 26.--Food fats and oils: Supply and disposition, 1962-67

Year beginning October	Production			Stocks		Domestic disappearance			Exports		
	Oct.-Nov.	Dec.-Sept.	Oct.-Sept.	Oct. 1	Dec. 1	Oct.-Nov.	Dec.-Sept.	Oct.-Sept.	Oct.-Nov.	Dec.-Sept.	Oct.-Sept.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
					Cottonseed oil 5/						
1962	505	1,424	1,930	296	461	281	1,065	1,347	59	332	392
1963	496	1,443	1,939	488	637	290	1,118	1,407	56	530	586
1964	471	1,530	2,001	433	535	289	1,266	1,555	80	563	643
1965	449	1,385	1,834	236	281	347	1,243	1,590	57	221	278
1966	349	876	1,225	202	309	230	927	1,157	12	68	80
1967	267			207	228	237			11		
					Soybean oil 5/						
1962	1,429	5,646	7,075	618	640	712	2,913	3,624	696	2,453	3,149
1963	1,320	5,605	6,925	920	935	711	3,347	4,058	593	2,615	3,209
1964	1,576	5,835	7,411	578	533	767	3,302	4,069	854	2,768	3,622
1965	1,773	6,791	8,564	297	401	800	3,887	4,687	869	2,843	3,712
1966	1,775	7,131	8,906	462	488	874	3,867	4,742	874	3,157	4,031
1967	1,796			595	569	837			985		
					Corn oil						
1962	66	328	395	50	51	65	316	381	---	---	---
1963	72	343	415	63	67	68	349	416	---	---	---
1964	70	366	435	62	43	88	374	462	---	---	---
1965	77	382	459	35	29	83	356	439	---	---	---
1966	76	371	448	55	55	77	361	438	---	18	18
1967	74			47	42	75			5		
					Peanut oil 5/						
1962	9	85	94	11	11	9	61	69	6/	6	6
1963	15	109	123	30	27	13	56	69	4	72	76
1964	23	150	173	8	9	8	51	59	14	90	104
1965	30	175	205	18	16	14	119	133	18	38	57
1966	19	199	219	34	26	25	144	169	2	51	53
1967	30			31	24	32			6		

1/ Includes butter, except farm; lard, except farm; beef fats; and edible vegetable oils. Production and exports include the oil equivalent of exported oilseeds. Domestic disappearance and exports have been adjusted for exports of processed food oils not classified by kind, shortening, margarine, and other secondary fats. Exports also include shipments and quantities from CCC stocks that were not reported in Census data. During 1960-64 exports include estimates of foreign donations of fats and oils. 2/ 1962-64, stocks include estimates of butter oil, ghee, and canned butter. 3/ Includes edible tallow, oleo stock, oleo oil and oleo stearine. 4/ Includes cottonseed, soybean, corn, peanut, and edible olive oils. Production includes imports of corn, peanut, and edible olive oils. 5/ Production and exports include oil equivalent of oilseed exported for crushing. 6/ Less than 500,000 pounds.

Totals computed from unrounded numbers.

Table 27.--Fats, oils, including their products: Production from domestic and imported materials, and factory and warehouse stocks at end of month

Item	Production 1/						Stocks			
	October-November		1966	1967			1966	1967		
	1966	1967	Nov.	Sept.	Oct.	Nov.	Nov. 30	Sept. 30	Oct. 31	Nov. 30
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
PRIMARY FATS AND OILS										
Food fats and oils										
Butter 2/	158.9	166.8	80.9	75.3	84.6	82.2	39.0	212.4	200.5	186.2
Lard and rendered pork fat 3/	357.0	378.0	182.0	169.0	190.0	188.0	77.6	106.7	105.3	106.3
Beef fats	106.4	91.3	56.9	44.4	43.3	48.0	43.0	70.2	72.8	70.2
Total edible animal fats	622.3	636.1	319.8	288.7	317.9	318.2	159.6	389.3	378.6	362.7
Corn oil	75.6	73.9	36.1	39.1	38.9	35.0	55.2	46.8	43.0	41.6
Cottonseed oil	348.7	267.1	183.1	33.5	100.2	166.9	309.4	207.0	198.7	227.7
Peanut oil	18.3	25.0	9.1	8.6	11.1	14.0	26.5	30.6	24.3	23.7
Soybean oil	1,004.0	1,030.0	521.9	459.5	515.1	514.9	488.0	595.0	571.3	568.8
Total edible vegetable oils	1,446.6	1,396.0	750.2	540.7	665.3	730.8	879.1	879.4	837.3	861.8
Soap fats and oils										
Tallow, inedible, and greases excluding wool grease 4/	798.3	789.9	425.6	346.3	404.9	385.0	430.9	408.8	434.6	441.5
Palm oil 5/	---	---	---	---	---	---	31.5	13.4	13.9	11.6
Fish and marine oil 5/	24.0	20.9	16.3	13.0	9.0	11.9	183.9	160.4	165.1	167.5
Coconut oil	---	74.8	---	---	37.3	37.5	188.3	107.7	94.5	98.7
Total soap fats	822.3	885.6	441.9	359.3	451.2	434.4	834.6	690.3	708.1	719.3
Drying Oils										
Castor oil 5/	---	---	---	---	---	---	185.3	154.1	147.1	145.7
Linseed oil	84.4	76.0	39.0	37.8	35.9	40.1	218.0	187.4	196.6	222.8
Safflower seed oil	13.5	34.5	---	---	19.8	14.7	53.1	60.2	62.5	63.2
Tall oil	202.8	193.2	101.8	85.9	96.7	96.5	250.7	193.7	180.0	179.2
Tung oil	---	---	---	---	---	---	56.2	69.0	66.3	71.6
Total drying oils	300.7	303.7	140.8	123.7	152.4	151.3	763.3	664.4	652.5	682.5
Grand total 6/ 7/	3,192.0	3,221.5	1,652.8	1,312.4	1,586.9	1,634.6	2,636.6	2,623.4	2,576.5	2,626.3
From domestic materials	3,192.0	3,146.7	1,652.8	1,312.4	1,549.6	1,597.1				
From imported materials	---	74.8	---	---	37.3	37.5				
FAT-AND-OIL PRODUCTS										
Cooking and salad oils										
Total	457.5	467.9	237.6	251.8	238.2	229.7	82.2	81.3	70.0	81.0
Soybean	290.6	294.7	151.2	172.5	152.1	142.6	47.3	55.6	42.6	41.8
Other	166.9	173.2	86.4	79.3	86.1	87.1	34.9	25.7	27.4	39.2
Baking and frying fats (shortening)										
Total	526.4	580.3	265.9	276.0	284.7	295.6	109.7	127.6	126.0	119.6
100% vegetable oil	331.3	378.3	163.1	181.0	187.2	191.1	83.0	97.6	95.3	86.8
100% animal fats or blends of vegetable oil and animal fats	195.1	202.0	102.8	95.0	97.5	104.5	26.7	30.0	30.7	32.8
Margarine										
Total	383.3	370.0	193.3	168.2	186.6	183.4	54.8	57.9	61.3	51.2
1 pound units	330.4	317.7	166.4	141.3	159.4	158.3	---	---	---	---
All other	52.6	55.5	26.2	28.3	28.2	27.3	---	---	---	---
Fatty Acids	186.1	184.8	92.2	87.5	98.7	86.1	91.0	105.8	104.6	106.1
Glycerine	64.3	68.6	33.2	28.9	35.8	32.8	38.4	39.0	42.9	48.4
Meat meal and tankage	703.3	700.9	354.6	337.1	342.7	358.2	---	---	---	---

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1/ Factory production except as otherwise noted.
2/ Creamery butter and cold-storage stocks, United States Department of Agriculture.
3/ Total commercial. Excludes farm production. Federally inspected in October-November 1966 totaled 320.0 million pounds; October-November 1967 totaled 339.8 million pounds.
4/ Total apparent production.
5/ Stocks include GSA stockpile.
6/ Computed from unrounded numbers.
7/ Excludes estimated output of farm butter and farm lard, 12 million pounds in October-November 1966; 12 million pounds in October-November 1967.

Table 28.--Imports and exports of fats, oils, oil-bearing materials and fat-and-oil products in terms of oil

Item	Imports for consumption					Exports 1/				
	Oct.-Nov.		1967			Oct.-Nov.		1967		
	1966	1967	Sept.	Oct.	Nov.	1966	1967	Sept.	Oct.	Nov.
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Food fats and oils										
Butter	.1	.1	.1	2/	.1	1.0	.3	.2	2/	.3
Lard	---	---	---	---	---	34.3	45.2	13.5	18.5	26.7
Beef fats	---	---	---	---	---	4.1	3.7	.6	.5	3.1
Total, edible animal fats	.1	.1	.1	2/	.1	39.4	49.2	14.3	19.0	30.1
Corn oil	.9	.5	---	---	.5	---	3/1.8	.5	1.1	.7
Cottonseed oil	1.0	1.7	---	---	1.7	11.7	11.1	3.0	6.4	4.7
Cottonseed (17 percent)	---	---	---	---	---	2/	.1	---	2/	2/
Olive oil, edible	8.2	9.7	3.7	3.4	6.3	---	---	---	---	---
Peanut oil	---	2/	---	---	2/	.4	.4	.9	.3	.1
Peanuts, shelled (43.5 percent)	---	---	---	---	---	1.1	5.3	2.8	2.9	2.5
Soybean oil	---	---	---	---	---	100.0	212.8	128.5	86.4	126.4
Soybeans (18.3 percent)	2/	2/	---	2/	2/	770.6	766.1	113.6	327.1	439.0
Other vegetable oils	1.5	2.8	1.4	1.1	1.7	1.0	1.0	.7	.5	.5
Total, edible vegetable oils	11.6	14.7	5.1	4.5	10.2	884.8	998.6	250.0	424.7	573.9
Soap fats and oils										
Tallow, inedible	.2	1.0	.6	.3	.6	329.0	335.5	119.1	166.2	169.3
Greases	2/	2/	2/	2/	---	27.1	34.8	12.4	18.6	16.2
Fish and fish liver oils non-medicinal	7.1	.3	.1	.3	.1	4/4.6	8.1	19.4	5.8	2.4
Marine mammal oils	5.4	12.6	2/	1.1	11.6	---	---	---	---	---
Olive oil, inedible	.2	.5	2/	.4	2/	---	---	---	---	---
Palm oil	28.8	8.2	9.8	2.6	5.6	---	---	---	---	---
Total, slow-lathering oils	41.7	22.6	10.5	4.7	17.9	360.7	378.4	150.9	190.6	187.9
Coconut oil	55.4	66.6	34.2	31.4	35.2	1.5	.8	.5	.2	.6
Copra (64 percent)	39.1	83.3	24.8	59.2	24.1	---	---	---	---	---
Palm kernel oil	19.9	22.1	11.0	7.3	14.8	---	---	---	---	---
Total, lauric-acid oils	114.4	172.0	70.0	97.9	74.1	1.5	.8	.5	.2	.6
Drying oils										
Flaxseed (35.7 percent)	---	2/	---	2/	---	25.9	28.6	2.1	4.8	23.7
Linseed oil	2/	---	---	---	---	13.8	.2	.1	.2	.1
Oiticica oil	---	.2	---	---	.2	---	---	---	---	---
Tall oil	---	---	---	---	---	13.1	18.1	8.0	9.8	8.2
Tung oil	5.9	5.6	.8	2.5	3.2	.2	.2	.1	.1	.1
Safflower seed (36 percent)	---	---	---	---	---	12.0	23.8	19.3	9.5	14.3
Total	5.9	5.8	.8	2.5	3.4	65.0	70.9	29.6	24.4	46.4
Other industrial oils and fats										
Cashew nut shell liquid (oil)	---	---	---	---	---	---	---	---	---	---
Castor oil	20.3	23.1	8.8	10.9	12.2	---	---	---	---	---
Castor beans (46.5 percent)	2/	---	---	---	---	---	---	---	---	---
Fish-liver oils, medicinal	1.9	1.8	1.0	.9	.9	---	---	---	---	---
Rapeseed oil	1.8	1.2	.6	.2	1.0	---	---	---	---	---
Wool grease	1.1	1.0	.4	.5	.5	---	---	---	---	---
Other vegetable oils and fats, inedible	1.6	1.4	.8	.8	.6	9.4	11.4	5.9	5.9	5.5
Total	26.7	28.5	11.6	13.3	15.2	9.4	11.4	5.9	5.9	5.5
Other products										
Margarine (fat content)	---	---	---	---	---	.5	.5	1.6	.2	.3
Shortening	---	---	---	---	---	10.0	4.2	2.2	2.4	1.9
Cooking and salad oils	---	---	---	---	---	---	---	---	---	---
Salad products (fat content)	---	---	---	---	---	.9	1.1	.6	.4	.7
Soap (fat content)	.5	.4	.2	.2	.2	2.3	1.6	.7	1.0	.7
Fatty acids	2.4	1.8	.6	1.0	.8	11.7	11.3	4.4	7.2	4.1
Total	2.9	2.2	.8	1.2	1.0	25.4	18.7	9.5	11.2	7.7
Grand total 5/	203.2	246.0	99.0	124.1	121.9	1,386.3	1,528.0	460.7	676.3	851.7
Glycerine	.4	2/	---	2/	---	7.8	8.5	2.7	4.4	4.0
Tankage	.7	.1	.2	.1	---	---	---	---	---	---

1/ Includes re-exports but not shipments. Shipments average about 90 million pounds per year of which approximately 60 million are lard. Beginning January 1965, includes foreign donations.

2/ Less than 50,000 pounds.

3/ Not reported prior to January 1967.

4/ Beginning January 1965, includes marine mammal oils and fish liver oils.

5/ Computed from unrounded numbers.

Table 29.--Index numbers of wholesale prices of fats and oils, by years, 1962-67

Item	1962	1963	1964	1965	1966	1967
	1957-59=100					
All fats and oils	90	89	96	107	110	95
All fats and oils, except butter	83	82	92	108	105	83
Grouped by origin:						
Animal fats	92	91	99	109	111	97
Vegetable oils, domestic	87	83	86	101	108	90
Vegetable oils, foreign	87	92	95	109	93	100
Grouped by use:						
Butter	100	99	100	102	114	113
Butter, seasonally adjusted	100	99	100	103	114	114
Lard	82	79	92	111	106	74
Lard, refined	---	---	---	---	124	103
Food fats other than butter	84	81	88	105	107	84
Food fats other than butter and lard	85	82	85	102	108	88
All edible fats and oils	93	91	95	105	113	99
Soap fats	74	78	97	113	102	79
Drying oils	105	100	94	99	97	91
Other industrial	74	77	88	102	94	83
All industrial	82	84	98	113	103	83
Edible vegetable oils, grouped by degree of processing:						
Crude	85	82	84	101	107	90
Refined	93	84	82	97	109	92
End products	97	88	90	101	105	102
Margarine	97	93	94	102	104	101
Shortening, 3 lb. tin	---	---	---	---	99	97
Shortening, 400 lb. drum	---	---	---	---	110	104

All indexes except "Butter, seasonally adjusted" and "Other industrial" from Bureau of Labor Statistics.

Table 30.--Prices received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals, by years, 1962-67

Item	Unit	1962	1963	1964	1965	1966	1967
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
OILSEEDS							
Copra, Philippines, c.i.f. Pacific Coast	Short ton	151.72	170.16	179.47	203.00	168.79	181.92
Cottonseed, United States average	Short ton	48.90	49.90	47.40	47.10	58.60	58.00
Flaxseed, No. 1, Minneapolis	Bushel	3.30	3.03	3.10	3.10	3.15	3.18
Flaxseed, United States average	Bushel	3.02	2.76	2.81	2.82	2.85	2.89
Peanuts, United States average (farmers' stock)	100 lb.	11.20	11.20	11.30	11.50	11.40	11.40
Peanuts, Virginias No. 1, shelled, Va.-N.C. 1/	100 lb.	19.62	19.25	19.88	19.12	19.38	19.75
Peanuts, Runners No. 1, shelled, Southeast 1/	100 lb.	18.75	18.75	20.38	20.00	19.38	19.38
Peanuts. Spanish No. 1, shelled, Southeast 1/	100 lb.	18.38	19.00	20.38	20.20	19.25	19.12
Peanuts, Spanish No. 1, shelled, Southwest 1/	100 lb.	18.25	18.88	20.38	20.25	19.12	19.00
Soybeans, No. 1, Yellow, Chicago	Bushel	2.51	2.68	2.68	2.82	3.13	2.80
Soybeans, No. 1, Yellow, Illinois country shipping points	Bushel	2.42	2.60	2.60	2.75	3.05	2.75
Soybeans, United States average	Bushel	2.32	2.50	2.50	2.62	2.92	2.62
OILMEALS (bulk)							
Copra meal, 20 percent protein, Los Angeles	Short ton	77.80	80.75	73.95	80.50	84.65	80.50
Cottonseed meal, 41 percent protein, Memphis	Short ton	61.10	67.70	60.25	60.10	76.70	76.85
Cottonseed meal, 41 percent protein, Chicago	Short ton	69.45	76.85	67.95	68.70	84.95	84.45
Cottonseed meal, 41 percent protein, Atlanta	Short ton	66.50	72.45	64.35	64.90	81.75	80.35
Cottonseed meal, 41 percent protein, Ft. Worth	Short ton	66.60	73.70	65.30	63.70	78.20	79.95
Fish meal, 60 percent protein, bagged, New York	Short ton	127.30	122.75	133.10	162.90	157.40	130.90
Fish meal, 60 percent protein, bagged, Los Angeles	Short ton	122.70	121.20	129.60	156.30	150.50	129.05
Linseed meal, 34 percent protein, Minneapolis	Short ton	69.40	65.80	56.50	64.10	77.10	72.75
Linseed meal, 34 percent protein, New York	Short ton	87.40	83.95	74.15	80.75	93.55	93.45
Peanut meal, 50 percent protein, f.o.b. Southeastern mills	Short ton	2/63.70	2/ 67.70	61.65	70.10	83.20	79.55
Safflower meal, 20 percent solvent, San Francisco	Short ton	30.50	35.90	29.80	30.75	35.25	31.05
Soybean meal, 44 percent protein, Chicago	Short ton	70.40	76.55	73.35	75.85	88.15	80.85
Soybean meal, 44 percent protein, Decatur	Short ton	66.50	72.50	69.15	71.45	83.80	76.45
Soybean meal, 44 percent protein, Atlanta	Short ton	74.80	80.70	77.30	79.65	91.00	83.80
Soybean meal, 44 percent protein, Memphis	Short ton	68.60	74.00	72.15	74.10	86.10	79.05
Soybean meal, 50 percent protein, Decatur	Short ton	72.70	78.60	77.00	80.75	91.85	83.45
Soybean meal, 50 percent protein, Memphis	Short ton	75.20	80.50	80.70	84.65	96.00	87.60
Soybean meal, 50 percent protein, Atlanta	Short ton	---	---	---	88.80	100.85	92.20

1/ This price applies to peanuts for edible uses. 2/ 45 percent protein.

Compiled from Oil, Paint, and Drug Reporter, Wall Street Journal, Chicago edition, reports of the Statistical Reporting Service, and the Consumer Marketing Service.

Table 31 .--Wholesale and retail prices per pound for fats and oils, by years, 1962-67

Item	1962	1963	1964	1965	1966	1967
	Cents	Cents	Cents	Cents	Cents	Cents
Wholesale Prices:						
Butter, creamery, Grade A, (92-score) bulk, New York	59.5	59.1	59.9	61.2	67.3	67.7
Butter, creamery, Grade A, (92-score) bulk, Chicago	58.6	58.2	59.1	60.2	66.6	66.7
Butter, creamery, Grade A, (92-score) prints, San Francisco	69.7	69.2	71.5	72.0	79.8	79.8
Castor oil, dehydrated, tanks, New York	25.1	25.1	25.1	24.6	25.0	27.3
Castor oil, No. 1, Brazilian, tanks, imported, New York	19.0	18.8	15.9	13.2	15.0	19.2
Castor oil, No. 1, tanks, f.o.b., New Jersey mills	20.0	20.0	17.4	15.4	16.4	16.7
Coconut oil, crude, tank cars, Pacific Coast, f.o.b. mills 1/	10.8	11.8	13.4	15.9	13.2	14.5
Coconut oil, crude, tanks, f.o.b. New York 1/	11.8	12.6	13.8	15.9	13.3	14.5
Coconut oil, refined, drums, l.c.l., New York 1/	16.6	16.2	17.3	22.0	20.3	21.5
Cod oil, spot, drums, New York	8.1	8.4	10.0	12.6	11.0	9.1
Codliver oil, medicinal, U. S. P., barrels, New York	17.9	17.2	18.2	19.0	19.5	19.5
Corn oil, crude, tank cars, f.o.b. Midwest mills	14.6	12.1	11.1	14.0	16.1	12.4
Corn oil, refined, tanks, New York	18.2	15.3	13.7	16.8	19.2	15.4
Cottonseed oil, crude, tank cars, f.o.b., S. E. mills	11.5	10.4	10.3	11.7	14.3	11.8
Cottonseed oil, crude, tank cars, f.o.b., Valley	11.4	10.2	10.3	11.6	14.1	11.8
Cottonseed oil, crude, tank cars, f.o.b., Texas	11.2	10.1	10.3	11.6	14.1	11.7
Cottonseed oil, p.s.y., bleachable, tank cars, New York 2/	13.3	12.4	11.7	13.1	15.9	13.5
Cottonseed oil, refined, tanks, New York	14.6	13.1	13.0	14.2	16.9	14.5
Degras, Lanolin technical, drums, New York	20.9	21.1	33.4	39.8	28.5	22.0
Glycerin, soaplye, tanks, New York 3/	10.7	10.5	13.8	12.7	14.4	16.1
Grease, A white, tank cars, delivered Chicago	5.2	5.4	6.6	7.8	7.8	5.5
Grease, B white, delivered, Chicago	4.8	4.9	6.1	7.5	6.8	4.9
Grease, yellow, delivered, Chicago	4.5	4.7	5.9	7.2	6.5	4.6
Grease, white, choice, tanks, New York	6.2	6.9	7.7	8.8	8.3	5.9
Grease oil, extra No. 1, drums, Chicago	12.0	12.0	12.5	13.5	13.5	13.5
Lard, loose, tank cars, Chicago	8.7	8.3	9.7	11.7	11.2	7.8
Lard, prime steam, tierces, Chicago	8.8	8.7	9.7	11.7	11.2	7.8
Lard, refined, 1-pound cartons, Chicago 4/	14.7	14.0	15.0	17.6	17.1	13.6
Linseed oil, raw, tank cars, Minneapolis	14.2	12.7	13.4	13.4	12.8	12.9
Linseed oil, raw, tanks, New York	15.3	13.8	14.5	14.5	13.8	14.0
Margarine, colored, delivered, Eastern U. S.	25.6	23.8	24.1	26.1	26.6	25.7
Margarine, yellow, quarters, f.o.b., Chicago	25.7	25.0	25.4	26.2	26.2	25.8
Margarine, white, domestic vegetable, Chicago	24.3	23.2	23.4	24.2	23.2	22.8
Menhaden oil, crude, tanks, f.o.b., Baltimore	4.6	6.2	8.7	9.2	9.4	7.3
Menhaden oil, light pressed, tanks, New York	10.1	9.2	10.7	11.3	11.3	10.7
Neat's foot oil, 30°, drums, carlots, New York	27.0	27.0	27.0	27.0	27.0	27.0
Oiticica oil, drums, f.o.b., New York	18.9	30.4	21.9	23.8	21.4	19.0
Oiticica oil, tanks, New York	16.9	28.4	20.0	21.6	19.2	17.0
Oleo oil, extra, drums, Chicago	16.6	16.9	17.9	18.2	19.1	19.8
Olive oil, imported, edible, drums, New York	35.5	50.9	32.4	36.8	36.8	38.1
Palm oil, clarified, drums, f.o.b. New York 5/	13.9	14.0	14.2	15.8	15.1	14.8
Palm oil, Congo, tank cars, f.o.b., New York	11.6	11.6	11.8	13.4	12.7	12.6
Palm kernel oil, bulk, c.i.f., New York 5/	10.9	12.5	13.3	15.4	12.9	13.1
Peanut oil, crude, tank cars, f.o.b. S. E. mills	16.4	11.6	12.9	13.5	13.7	11.9
Peanut oil, refined, tanks, New York	19.3	14.5	15.6	16.2	16.4	14.4
Rapeseed oil, refined (denatured), tanks, New York	14.4	13.3	14.1	15.4	15.4	15.2
Safflower oil, nonbreak, tanks, East Coast	18.9	14.8	12.8	8/15.3	8/16.2	8/14.6
Sesame oil, refined, drums, New York	37.0	35.8	33.0	33.0	34.8	39.2
Shortening, all vegetable, hydrogenated, 440-lb. drums, New York	20.4	20.3	21.5	23.3	21.8	20.7
Shortening, all vegetable, hydrogenated, 3 lb. tins, delivered, Eastern U.S.	25.0	22.3	22.5	26.4	27.1	26.5
Soybean oil, crude, tank cars, f.o.b., Decatur	9.0	8.9	9.2	11.2	11.7	9.6
Soybean oil, refined, tanks, New York	11.2	11.1	11.4	13.4	13.5	11.8
Soybean oil, clarified, tanks, New York	10.9	10.8	11.0	13.2	13.7	11.7
Sperm oil, natural, 45°, drums, New York	17.1	17.5	16.8	14.9	14.5	14.5
Sperm oil, bleached, winter 45°, drums, New York	18.1	18.5	17.8	15.9	15.5	16.4
Tall oil, crude, tanks, works	3.5	3.6	3.6	3.5	3.2	3.1
Tall oil, refined, tanks, works	7.5	7.5	7.5	7.5	7.5	7.5
Tallow, edible, loose, Chicago	8.8	8.0	9.5	11.6	11.3	7.5
Tallow, inedible, packers' prime, c.a.f. delivered, Chicago	5.1	5.2	6.4	7.8	7.0	5.1
Tallow, inedible, bleachable fancy, delivered, Chicago	5.5	5.6	7.0	8.2	7.5	5.5
Tallow, No. 1, inedible, delivered, Chicago	4.5	4.7	5.9	7.2	6.5	4.6
Tallow, special, inedible, tanks, delivered, New York	5.3	5.5	6.7	8.0	7.1	5.4
Tung oil, imported, drums, f.o.b., New York	39.4	39.3	27.0	27.8	23.3	16.5
Tung oil, tanks, New York	37.4	37.4	25.0	25.8	21.0	14.4
Tung oil, domestic, tanks, f.o.b. mills	36.9	36.9	25.5	25.9	24.0	24.0
Retail prices 6/						
Butter	75.2	75.0	74.4	75.4	82.2	83.7
Margarine	28.4	27.5	26.0	27.9	28.7	28.6
Shortening	29.6	27.8	26.3	29.3	30.0	29.4
Salad Dressing 7/	38.3	38.1	74.1	74.4	75.4	75.3
Peanut Butter	57.4	57.7	58.4	59.9	60.0	59.1
Cooking and Salad oils	---	---	32.0	34.9	38.6	38.0

1/ 3-cent processing tax suspended beginning October 1957.
2/ Nearby futures.
3/ Beginning January 1965, average of weekly prices, New York Journal of Commerce.
4/ Beginning April 1966, one and two pound prints.
5/ 3-cent processing tax suspended beginning July 1959.
6/ Leading cities.
7/ Salad dressing (Italian), beginning January 1964.
8/ Quoted as New York.

Table 32.--Index numbers of wholesale prices of fats and oils

Item	1957-59=100				
	December		1967		
	1965	1966	October	November	December
All fats and oils	109	103	92	90	92
All fats and oils, except butter	107	95	78	77	78
Grouped by origin:					
Animal fats	112	105	95	92	94
Vegetable oils, domestic	100	99	84	83	84
Vegetable oils, foreign	101	90	111	127	125
Grouped by use:					
Butter	109	113	115	113	117
Butter, seasonally adjusted	100	104	110	104	107
Lard	112	89	66	60	62
Lard, refined	121	112	98	93	95
Food fats other than butter	105	95	78	76	77
Food fats other than butter and lard	102	98	82	81	83
All edible fats and oils	108	105	96	94	97
Soap fats	110	94	76	75	75
Drying oils	97	92	91	93	92
Other industrial	98	87	85	88	87
All industrial	110	96	80	80	79
Edible vegetable oils, grouped by degree of processing:					
Crude	100	98	83	83	84
Refined	109	101	88	88	87
End products	98	106	102	102	100
Margarine	102	107	100	100	100
Shortening, 3 lb. tin	94	99	94	94	94
Shortening, 400 lb. drum	116	107	107	106	106

All indexes except "Butter, seasonally adjusted" and "Other industrial" from Bureau of Labor Statistics.

Table 33.--Prices received by farmers and prices at terminal markets for specified oil-bearing materials and oilmeals

Item	Unit	December		1967		
		1965	1966	October	November	December
		Dollars	Dollars	Dollars	Dollars	Dollars
OILSEEDS						
Copra, Philippines, c.i.f. Pacific Coast	Short ton	189.10	158.60	193.75	226.40	230.62
Cottonseed, United States average	Short ton	47.80	65.90	54.10	56.00	57.00
Flaxseed, No. 1, Minneapolis	Bushel	2.99	3.16	3.16	3.14	3.14
Flaxseed, United States average	Bushel	2.71	2.88	2.89	2.85	2.86
Peanuts, United States average (farmers' stock)	100 lb.	11.30	11.30	11.50	11.50	11.10
Peanuts, Virginias No. 1, shelled, Va.-N.C. 1/	100 lb.	18.62	18.75	19.00	19.00	21.25
Peanuts, Runners No. 1, shelled, Southeast 1/	100 lb.	19.12	19.38	18.88	18.88	19.25
Peanuts. Spanish No. 1, shelled, Southeast 1/	100 lb.	19.25	19.12	18.62	18.88	19.37
Peanuts, Spanish No. 1, shelled, Southwest 1/	100 lb.	19.00	19.00	18.75	18.88	19.12
Soybeans, No. 1, Yellow, Chicago	Bushel	2.66	3.00	2.60	2.61	2.64
Soybeans, No. 1, Yellow, Illinois country shipping points	Bushel	2.62	2.95	2.51	2.50	2.57
Soybeans, United States average	Bushel	2.48	2.82	2.44	2.43	2.48
OILMEALS (bulk)						
Copra meal, 20 percent protein, Los Angeles	Short ton	82.50	82.00	80.00	80.00	82.00
Cottonseed meal, 41 percent protein, Memphis	Short ton	66.60	83.20	76.10	76.60	78.10
Cottonseed meal, 41 percent protein, Chicago	Short ton	73.80	92.30	82.50	84.10	85.60
Cottonseed meal, 41 percent protein, Atlanta	Short ton	70.50	88.50	77.60	79.30	81.60
Cottonseed meal, 41 percent protein, Ft. Worth	Short ton	68.00	89.90	80.10	79.70	80.60
Fish meal, 60 percent protein, bagged, New York	Short ton	181.00	152.50	124.30	121.40	121.00
Fish meal, 60 percent protein, bagged, Los Angeles	Short ton	174.70	144.00	120.00	120.00	120.70
Linseed meal, 34 percent protein, Minneapolis	Short ton	69.90	77.70	72.30	71.40	74.20
Linseed meal, 34 percent protein, New York	Short ton	86.90	101.25	93.20	89.25	90.00
Peanut meal, 50 percent protein, f.o.b. Southeastern mills	Short ton	78.50	93.40	79.70	78.50	79.30
Safflower meal, 20 percent solvent, San Francisco	Short ton	30.80	34.90	26.60	26.50	26.30
Soybean meal, 44 percent protein, Chicago	Short ton	75.70	89.10	76.30	76.30	77.80
Soybean meal, 44 percent protein, Decatur	Short ton	71.40	84.60	71.80	71.90	73.40
Soybean meal, 44 percent protein, Atlanta	Short ton	79.40	91.20	80.00	79.80	80.40
Soybean meal, 44 percent protein, Memphis	Short ton	74.20	87.60	75.00	74.60	75.90
Soybean meal, 50 percent protein, Decatur	Short ton	78.30	92.70	78.20	78.10	79.40
Soybean meal, 50 percent protein, Memphis	Short ton	83.40	96.90	83.50	82.20	83.60
Soybean meal, 50 percent protein, Atlanta	Short ton	85.60	100.90	87.00	87.60	87.10

1/ This price applies to peanuts for edible uses.

Compiled from Oil, Paint, and Drug Reporter, Wall Street Journal, Chicago edition, reports of the Statistical Reporting Service, and the Consumer Marketing Service.

SPECIAL ARTICLES IN SITUATION REPORTS

U.S. Cottonseed Industry Adjusting to Short 1966 Crop. Fats and Oils Situation, FOS-234, August 1966. Reprinted as ERS-307. Kromer, George W.

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Oilseed Meals: Postwar Trends in Production and Use. Fats and Oils Situation, FOS-236, January 1967. Reprinted as ERS-339. Gazelle, Stanley A.

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